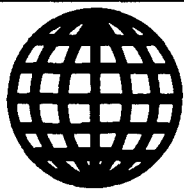


JPRS-EER-90-070  
18 MAY 1990



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# ***JPRS Report***

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## **East Europe**

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# East Europe

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## HUNGARY

### Overview of 1990 Elections Provided

#### Analysis, Prognosis

25000703A Budapest HETI VILAGGAZDASAG  
in Hungarian 14 Apr 90 pp 4-6

[Article by Ivan Peto: "Elections '90: The Bouncing Scale"]

[Text] In the 8 April round of elections, the Hungarian Democratic Forum [MDF] increased the advantage it gained in the first round of elections. It would require a greater perspective and a more in-depth analysis to find out why the Free Democrats [Alliance of Free Democrats, SZDSZ] and the Association of Young Democrats [FIDESZ] jointly did not achieve their minimum goal of acquiring more than one-third of the parliamentary mandates. Although for different reasons, the four small parties may be regarded as the index of the scale.

"We put the tools used in the election struggle to rest," MDF Chairman Jozsef Antall said in a grandiose statement at Monday's press conference. He said this in an apparent reference to the fact that those tools had proven to be successful. All of this could also mean that in a given situation those tools could be picked up again. The MDF chairman was not surprised about his party's victory. He attributed their success to the fact that the coalition agreement reached with the Smallholders [Independent Smallholders, Agricultural Workers, and Citizens Party, FKGP], and with their natural allies, the Christian Democrats [Christian Democratic People's Party, KDNP] had worked well. He also said that the 60-percent ratio of parliamentary mandates acquired by this coalition was no coincidence. It is the same ratio as the one achieved by the FKGP in 1945. The party chairman who described himself as a liberal Christian democrat patriot did not feel that it was necessary to search for deeper explanations of the huge victory; indeed, the more thorough analysis of causes should be the job of the losers. And undoubtedly, the public views the SZDSZ as the clear loser in these elections.

SZDSZ executives acknowledged the fact that they had expected better results, particularly in Budapest where in the first round of elections held on 25 March they finished first in 20 of the total of 32 districts. Yet, in the second round, as a result of the final decision, they could produce only nine representatives from Budapest. In contrast, the MDF did magic and turned its 12 seats acquired in the first round into 23 direct mandates. In Budapest the first round of voting for slates was won by the MDF. This was difficult to explain at the time; most observers felt that too many persons divided their preferences between FIDESZ and the SZDSZ, and that this would increase the SZDSZ stock in the second round. But this did not happen. Voters favored the MDF as a party. And this also holds true on a nationwide scale, because from a practical standpoint the second round of elections was a struggle among parties and not among individuals. After all, as "clever," but not ethical MDF pamphlets pointed out in a number of districts throughout the country—and as SZDSZ pamphlets did in two districts—a significant part of the candidates became

members of Parliament before the second round of elections, based on votes cast for the regional or the national slates. Thus, as a result of a candidate's victory as an individual, he helped support some other party's candidate (listed on a slate) to win a mandate.

#### Nationwide Results of Regional Slates

Party	Valid Votes	Percentages
MDF	1,214,359	24.73
SZDSZ	1,050,799	21.39
FKGP	576,315	11.73
Hungarian Socialist Party [MSZP]	535,064	10.89
FIDESZ	439,649	8.95
KDNP	317,278	6.46
Hungarian Socialist Workers Party [MSZMP]	180,964	3.68
Social Democratic Party of Hungary [MSZDP]	174,434	3.55
Agrarian Alliance [AA]	154,004	3.13
Entrepreneurs Party	92,689	1.89
Patriotic Election Coalition [HVK]	91,922	1.87
Hungarian People's Party [MNP]	37,047	0.75
Green Party	17,951	0.36
National Smallholders Party	9,944	0.20
Somogy Christian Coalition [SKK]	5,966	0.12
Hungarian Cooperative and Agrarian Party [MSZAP]	4,945	0.10
Independent Hungarian Democratic Party [FMDP]	2,954	0.06
Freedom Party	2,814	0.06
Hungarian Independence Party [MFP]	2,143	0.04

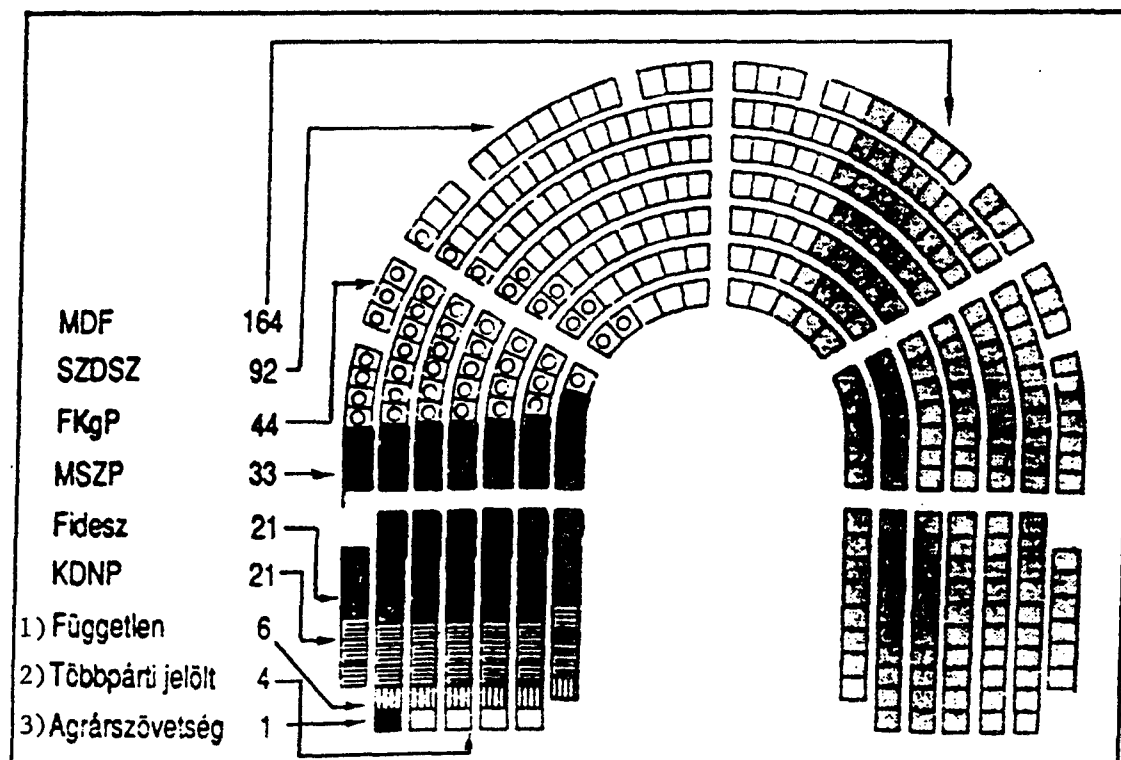
Voter behavior in the first Hungarian free elections in 43 years requires a deeper analysis. Based on data available at this time one could say that very many citizens were undecided until the last moment, because neither the parties, nor their programs, nor the feasibility of their programs has undergone any test at all. This may also explain why on Sunday more than half of the eligible voters stayed away from the ballot box, perhaps for reasons of uncertainty. Under such circumstances watchwords and campaign tricks had great significance. Indications are that parties proclaiming Christian national values without narrowly defining such values attracted the voters more. SZDSZ leaders feel that the final outcome of the elections was also influenced in general by personal attacks, and particularly by attacks launched in MAGYAR FORUM edited by Istvan Csurka in which they were branded as communists and as persons having no national feelings, by signed or unsigned pamphlets distributed by the MNP and by the MSZDP, and by deprecatory statements written on walls. Nonetheless, the main, immediate reason for the MDF victory appears to

be cooperation between the MDF, the FKgP, and the KDNP, and the fact that voters casting their ballots for other parties in the first round voted for the MDF in the

second. All in all, the SZDSZ did not receive fewer votes in the second round than it did in the first, but MDF candidates received far more votes.

Number of Parliamentary Mandates (Preliminary Election Results)					
Party	From Regional Slates	From Individual Voting Districts, First Round	From Individual Voting Districts, Second Round	From the National State	Number of Man- dates
MDF	40	3	111	10	164
SZDSZ	34	0	35	23	92
FKgP	16	0	11	17	44
MSZP	14	0	1	18	33
FIDESZ	8	0	1	12	21
KDNP	8	0	3	10	21
AA	—	0	1	—	1
Independent candidates	—	2	4	—	6
Candidates sponsored by several parties	—	0	4	—	4
<b>Total</b>	<b>120</b>	<b>5</b>	<b>171</b>	<b>90</b>	<b>386</b>

Distribution of Mandates in New Parliament



Key:

1. Independent
2. Several Parties
3. AA

In the end, within the new parliament none of the parties will be able to enforce their will alone. To the satisfaction of both parties' leadership groups, the grand coalition hoped for by part of the public did not come about, because the MDF will be able to attain a comfortable majority as a result of support provided by KDNP and FKgP representatives, as well as by independent representatives who—according to Antall—sympathize with the MDF.

Although the MDF's two anticipated coalition partners make statements saying that no government would be formed without them, and that they hold the balance of power, one may assume that such statements are being made only in order to acquire the more sought after positions, and that they will certainly reach an agreement. Judging by statements made thus far by the FKgP—the heavier weight that tips the scale—it appears that they regard the post of minister of agriculture and a redistribution of land that would restore 1947 conditions as their condition for participation in government. As one of their leaders made known to the country and the world the other day: "We do not want to be in the opposition, we want to take part in turning things to the better in the country."

FIDESZ, with its representatives having an average age of 27, and therefore probably the youngest parliamentary party in the world, will be forced to surrender the idea of a grand coalition it so highly desired. Although as of press time its leaders had not issued a statement, one may assume that FIDESZ will not strengthen the ruling coalition, but may become the radical-liberal "conscience" of Parliament as a constructive opposition. Within the opposition, however, FIDESZ may be regarded as the index of the scale; without them, passage of so-called 'laws with the force of the Constitution' may not be prevented. This may sound as surprising today: passage of such laws may not be prevented without FIDESZ by only the possible unanimous negative vote of SZDSZ and MSZP representatives in the opposition, and this in a parliament which is soon to be expanded to 394 representatives as a result of representation granted to several nationalities.

And at this point an odd situation may evolve. In the event that the SZDSZ and FIDESZ—even though they are emphatically each other's natural allies—would possibly want to take a stand against the ruling coalition, they may become viable only if they cooperate with the "successor to the state party" MSZP, part of the opposition. This is because of the above-mentioned two-thirds rule. An SZDSZ leader stressed the other day that opposition parties are sovereign bodies, and that they did not need to form a coalition. At the same time a statement issued by the acting SZDSZ chairman during the night following Sunday's elections is noteworthy. It holds that once the MSZP accounts for its property in a manner consistent with the decision produced by the popular referendum, the state party may be regarded to have ceased to exist, and that thereafter the SZDSZ would shape its relationship with the MSZP.

In recent times many professionals have mentioned the possibility that supposedly, even if not in the immediate

future, the composition of Hungarian parties seated in Parliament may significantly change. At this place one may only raise the following questions: In what form will social democracy appear—it has no presence in Parliament at this time; to what extent will the MDF, which may be perceived as a collective party, remain unified; are the bourgeois-liberal parties truly dwarf parties as shown by experience; will the SZDSZ want to move in the direction of social democracy if it wants to remain strong, and will FIDESZ become a liberal dwarf party.

All of these matters are future concerns. At present, Parliament must render some important social and economic decisions. This also means that, together with the campaign, party strife must come to an end, and new roles must be learned to be played after 43 years: the roles of the coalition government and the constructive opposition.

#### Schedule, Pursuant to Public Law

25000703A Budapest HETI VILAGGAZDASAG  
in Hungarian 14 Apr 90 p 5

[Text] To a great degree one may only "guess" the political script for the multi-party Hungarian Republic during the upcoming months. As may be seen below, public laws in force have fixed the timing of only a few political events.

The National Assembly will hold its organizing session prior to 8 May 1990. During its initial work days the House—under the leadership of the ranking member [by age]—is expected to elect its officers. Until such time that the post of the president of the republic is filled, that future president of Parliament will fill the post of the provisional head of state. For that period the legislature will appoint one of the vice presidents of Parliament to act as president of Parliament. During the days after its organizing meeting, Parliament is expected to elect the Council of Ministers, and, among others, the chairman of the Supreme Court and the Supreme State Prosecutor.

By 8 June 1990 a National Assembly committee will make recommendations for the cooperation of eight nationalities representatives. From among the national-ethnic minorities, the Gypsy, Jewish, Croatian, German, Romanian, Serbian, Slovakian, and Slovenian communities will have one representative each in Parliament. The total number of representatives in Parliament will be 394.

Parliament will appoint a new Constitutional Court justice by 8 July 1990. The body thus expanded to 10 persons will elect the chairman of the Constitutional Court for a three-year term.

Consistent with the Constitution presently in force, by 8 November 1990 a president of the Hungarian Republic will be elected by popular referendum for a four-year term. By virtue of his office, the president will also serve as commander in chief of the Army.

### Elected Representative Interviewed

25000703A Budapest HETI VILAGGAZDASAG  
in Hungarian 14 Apr 90 p 5

[Interview with reserve Major General Kalman Keri, by Endre Babus; place and date not given: "The Doyen"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] The doyen of representatives will become the lead actor at the organizing meeting of the National Assembly for a few hours, until such time that the officers of the new legislature are elected. This is because the oldest representative will preside over House debate. The person expected to serve as doyen is 89-year-old Kalman Keri, once an aide to the minister of defense. He was the one who in the fall of 1944 served as a parliamentarian to establish contact with the Soviet military leadership, and whose promotion promised in 1945 was fulfilled only in March 1990, due to imprisonment at Kistarcsa and Recsk, and other matters. We questioned reserve Major General Kalman Keri, chairman of the Recsk Association, about his office in Parliament. He won his National Assembly mandate as a candidate on the MDF slate.

[HETI VILAGGAZDASAG (HVG)] When did you learn that it was likely that you would have to preside over the first session of the new Parliament?

[Keri] Jozsef Antall called me on Monday at 0100, and indicated that, as may be foreseen, this task was awaiting me.

[HVG] Are you going to accept it? Or will you perhaps follow the example provided by old Albert Apponyi, who in 1922 rejected the assignment on grounds of provisions of public law.

[Keri] I have no reason to reject this post. On the contrary, I regard this as an honor.

[HVG] Will there be a doyen's "address"?

[Keri] In my introductory speech I definitely wish to point out that in regard to the most urgent foreign policy and economic issues, constructive cooperation by all parties is needed.

[HVG] When should the new Parliament convene, in your view?

[Keri] As soon as possible. Within two or two and a half weeks if possible.

[HVG] Will you find acquaintances among the representatives?

[Keri] I have known my former associate officer from the chief of staff, the independent candidate elected at Kaposvar, Bela Kiraly, for half a century. I also recall the Smallholders' Vince Voros, who served as a representative during coalition days. During recent years I have come into close contact with Ferenc Kulin, Lajos Fur, and Jozsef Antall from among the MDF people.

[HVG] As an MDF representative, which trend of the MDF do you espouse, the liberal, the Christian Democratic, or the so-called populist-national trend?

[Keri] I favor the center as represented by Jozsef Antall.

[HVG] Negotiations for the distribution of ministerial velvet chairs will begin within days. In your professional experience, should the defense minister be a civilian or a professional soldier?

[Keri] The office of the defense minister must not be filled by a person serving active military duty. There was no precedent for such a thing prior to the war. Between 1942 and 1944 I was an aide to three defense ministers: Karoly Barta, Vilmos Nagybacsoni Nagy, and Lajos Csatai. All were staff officers not on active duty who enjoyed the confidence of the military leadership. I would regard the appointment of a layman—like Peter Veres was at one time—to head the Ministry of Defense, as a particularly great mistake.

[HVG] What is your view of changing the Hungarian Honved Army into a mercenary army?

[Keri] The need calls for organizing a small but well trained and well equipped army. I would not rule out the possibility that this army would consist of professionals. This "core," however, would have to be supplemented by a broad base of reservists who may be quickly alerted if needed. On the other hand, I would find it desirable by all means to fully depoliticize the Hungarian Honved Army. Accordingly, belonging to parties should be prohibited for soldiers not only within the army, but also outside the barracks, just as this is prohibited for judges and prosecutors. Incidentally, any change in government may be accompanied by the exchange of the commanders of the army.

[HVG] Do you recognize the Hungarian-Soviet agreement regarding the removal of Soviet troops, as reached by the Nemeth government, as appropriate? According to that agreement the last Soviet soldier would have to leave this country by 30 June 1991. Invoking the 1947 Paris Peace Treaty, not too long ago the MDF leadership urged that foreign troops be removed within three months.

[Keri] Aware of the political situation in Central Eastern Europe and in the Soviet Union, as far as I am concerned I agree to a maximum extent with the withdrawal schedule reached in Moscow by the government that is still in office.

### County Newspapers: MSZP-Springer Relationship Analyzed

25000703C Budapest HETI VILAGGAZDASAG  
in Hungarian 14 Apr 90 pp 68-69

[Article by Ibolya Jakus: "Axel Springer Maneuvers"]

[Text] No final agreement was reached early this week by the parties to the negotiations over the impossible, almost absurd matter in which the West German Axel

Springer press concern, known for its aggressive inclinations, acquired six county newspapers of the Hungarian Socialist Party [MSZP], successor to the state party. A special feature of the matter is that the new publisher lured the employees of these newspapers to the "new" newspapers primarily by "guaranteeing" their safety after the regime changes.

These days, anyone could discover any day in his mailbox that the newspaper he subscribed to has been replaced by a "new" newspaper. At press time, one could be certain of this much: The journalist and publishing collectives of six county newspapers previously owned by the MSZP quit their jobs and local publishing companies, and immediately signed contracts with the Axel Springer Budapest Publishing [AS-B] Limited Liability Corporation. Thereafter, the AS-B established newspapers which in the legal sense are new newspapers. It did so by adding a word to, or deleting a word from the titles of the old newspapers. As the daily press reported already, AS-B did so while everything else remained the same: the creative team, the contents and format of the newspapers; moreover, with the approval of MSZP publishers left without journalists and employees, the newspapers were prepared in the old editorial offices, using the old facilities. The print shops also remained the same, and subscribers to the old newspapers receive "new" newspapers, whether they like it or not.

Opinions are divided as to whether this is just another, by now almost perfect property salvaging action by the MSZP, or if we are witnessing an ingenious business deal by the Budapest Springer Limited Liability Corporation, or if perhaps the matter constitutes a life-saving maneuver by the editorial offices. Undoubtedly, the most interesting entwinement of interests is that of the MSZP. Although in public statements MSZP treasurer Andras Fabriczky qualifies the so-called expropriation of the newspapers as "theft," the fact that in reality the MSZP did not even try to prevent the maneuver provides sufficient proof that it is part of the business deal, even if the idea itself did not originate with the MSZP. As a result of last November's popular referendum, the MSZP has been obligated to account for its property, but such accounting has not taken place to date; county newspapers and publishing enterprises constitute the property of the MSZP only because it has not accounted for its property. It was an open secret among the affected parties—at least among editors in chief and the presidents of publishing companies—that the MSZP has been negotiating the sale of newspapers ever since the popular referendum, or, as they put it: attracting foreign capital.

Flirtation by this party, or more accurately: by the legal predecessor of this party with Axel Springer dates back to the times when Janos Berecz served as Central Committee [CC] secretary. Negotiations were held in August 1988 between the West German press concern, the Hungarian Credit Bank, and Reform Incorporated—a concern in which the Hungarian Socialist Workers Party [MSZMP] held part interest—and between the CC secretary concerning the establishment of a publishing enterprise under mixed ownership. At that time Josef von Ferenczy, who holds an interest in AS-B, acted as an intermediary. Subsequently, the Axel Springer

Budapest Publishing Limited Liability Corporation was formed by composing it in part from the parties to the previous negotiations. As authorized by the MSZP, county publishing enterprises began to negotiate with this firm a few weeks ago. As a "basis for negotiations" the MSZP established the value of these newspapers at between 1 million and 1.5 million forints per 1,000 subscribers, as confirmed by Fabriczky in response to our question. These figures were regarded as too high by Springer of Budapest. They offered to pay only three times the amount of the previous year's profits. The outcome of these dealings is known: The AS-B made the editorial offices "elope." The only question that remains unanswered is whether Springer Limited Liability Corporation came to understand on the basis of previous similar incidents—LUDAS MATYI, NOK LAPJA—that the newspapers may be acquired even without them paying for them, and that Springer was encouraged to do so by the MSZP fiasco in the first round of elections, alternatively, whether there is a "secret agreement" in the background between the two parties, as many suspect.

It is more than curious that the MSZP only grumbled, but did not "seriously" attempt to prevent what one could say is the expropriation of its newspapers. The MSZP would have had several opportunities to do so, starting with the simple solution of shutting down the buildings which housed the editorial offices, or by committing printing and mail facilities by publishing its blank newspapers with a banner head only, thus preventing Springer Limited Liability Corporation from producing the new newspapers. According to Fabriczky, however, such action could have prevented AS-B from publishing its newspapers for only a day or two at most; AS-B would have had ample opportunity to lease premises and acquire the needed equipment during that time. At the same time, the MSZP publishing enterprises could have taken their mostly obsolete equipment to the garbage dump, according to Fabriczky. In addition, the MSZP would have been forced to pay penalties to printers and to the post office for breach of contract, and the MSZP does not have money for such purposes. "We do everything for our newspapers as long as it does not cost us money," Fabriczky said, and based on this principle he directed the orphaned enterprise managers to reach agreements in regard to the use of the entire editorial infrastructures with the former and present editors in chief, who are now the local representatives of the Springer Limited Liability Corporation. The remarkably obliging MSZP publishers instantly cancelled even the existing printing and mailing agreements, thus freeing their capacities and "offering" their subscribers "on a silver platter" to the "new" newspapers. According to the AS-B offer made early this week, Springer Limited Liability Corporation would be willing to reimburse the MSZP all of the actual expenses incurred, it would pay for the cost of taking possession of the premises and for rental fees, it would lease or purchase the equipment needed for work and would assume the continuation of investments that have started already—but it does not even want to hear about indemnification. MSZP legal experts could not find any legal provision on the basis of which they could corner the AS-B in the course of negotiations, according to the MSZP treasurer.

Legal expert Imre Voros holds a different opinion, however. He recalled a 1984 case to support his view. At that time the Supreme Court made a damage award to a cooperative, after another firm had lured an entire brigade away from the cooperative. The court did not entertain the defendant's claim that he may reach an employment agreement with whomever he wants to, and regarded the defendant's action as unfair competition, as the luring away of the labor force. Voros claims that publishing houses owned by the MSZP should file suit on the same grounds against Springer Limited Liability Corporation, and they could even request the court to issue a preliminary injunction prohibiting AS-B from "luring away" additional editorial offices. The new legislative proposal on competition provides for the control of mergers and buy ups, and authorizes the future competition office to prohibit certain transactions even against the seller's will.

Although the MSZP role in this matter is laden with contradictions, one need not be concerned about Springer Limited either. Their advance agents—including an editor in chief and an industry ministry official, according to the director of the Veszprem printing house—have prepared the way, convinced the persons involved, and gathered information, and representatives of the AS-B have visited the editorial offices and promised everything from technical equipment, through language courses abroad, to publishing opportunities in Springer newspapers in the West. On the other hand, written agreements pertain only to individual work contracts, and "benefits" have been apportioned only in response to assertions made by individual editorial offices. Contrary to rumors, no one was able to bargain for higher wages than before, but in Eger they agreed to pay off the National Savings Bank [OTP] loans taken out by workers, and at the Tatabanya newspaper entitled "24 ORA" they guaranteed employment to each worker for a year. In Tatabanya the offer pertained to the present positions held by the employees, while at other places they promised typesetting and proofreading jobs to those unfit to be journalists. Their most generous "investment" thus far has been the purchase of a telefax machine for the editorial offices of the Szolnok county newspaper. The head of Springer Limited was not disturbed at all by the fact that some of the "new" newspapers, such as UJ NOGRAD, were not registered for two days, and therefore, in theory their production and sale would have been prohibited. We learned of this at the Office of the Council of Ministers. Incidentally, at last week's press conference [AS-B managing executive] Jozsef Bayer stated exactly the opposite, without even batting an eye. Responding to journalists' questions, Bayer denied that he had reached an advance agreement with the MSZP, while previously he stated to the heads of editorial offices—e.g. the offices of KELET-MAGYARORSZAG—that negotiations were taking place with the approval of the party.

Quite naturally, two sides are needed to consummate even a questionable business transaction. Why did the editorial offices go along with this venture? Responses received to our round-robin questionnaire revealed that among the reasons that weighed most heavily in the minds of editorial staff members was fear of not being able to retain their jobs and

positions after the regime changes, at a nationalized newspaper. As an employee told us at one of the newspapers, at their county seat "two editors in chief appointed by the Hungarian Democratic Forum [MDF] were running around." Asked why they accepted without reservations the verbal promises made by the Budapest based Springer Limited, the editor in chief of the (NEW) DUNANTULI NAPLO replied that "we are confident that a world-wide company would not be talking in the air." It nevertheless appears that thus far mostly the editorial offices that have found themselves in uncertain situations have responded to the AS-B lure. From among the six newspapers that transferred to Springer, three are running a deficit and have small circulation, and a few of the newspapers are produced amid untenable technical conditions. In contrast, KELET-MAGYARORSZAG, for instance, which publishes 90,000 copies and recorded a 25-million-forint profit last year, was not convinced by Springer's verbal offer.

Based on the developments, it appears that the Springer example is not left without followers. Several editorial offices discovered that they can accomplish a departure [from under the MSZP] all by themselves, or perhaps with the help of the local printer or some other firm. Pannon Press of Veszprem last week tried its hand in publishing a trial issue of a new newspaper, and did not surrender the idea of acquiring NAPLO, the county newspaper. If everything continues this way, chances are that the new government will have nothing left to nationalize.

### The Suitor

Axel Springer Budapest Limited Liability Corporation (AS-B) was established by two Hungarian and two German business organizations, and by a Hungarian private individual on 24 February 1989. The latter—Jozsef Bayer—is also the managing executive of the firm, and thus also the hero of the present press scandal. Forty-five percent of the 30-million-forint founding capital was provided by the Hungarian Credit Bank. Axel Springer Verlag AG contributed 40 percent. Ten percent is the property of Ferenczy Verlag AG, while Vinton Limited Liability Corporation of Budapest and Jozsef Bayer each own 2.5 percent of the company. AS-B has become known from press reports as the publisher of serialized newspaper novels and as the owner of the program guide TVR WEEK. In contrast, documents at the court of registry reveal that expansion is being planned by the firm, ranging in scope from the rental of consumer goods to travel services and many other businesses.

Despite its name, AS-B is being managed by Axel Springer Verlag AG, we were told by the West Berlin headquarters of the parent company. Responding to our inquiry concerning the scandal that surrounds the Hungarian county newspapers, we were told at Springer headquarters that their subsidiary deals with such matters independently. They did not respond to our question. The corporate agreement of the Budapest limited liability corporation indeed provides broad authority to the management of the local firm, a management which is interested in at least three ways in the business success of AS-B, according to corporate documents. This interest may be seen in the role played by Jozsef Bayer not only as the managing executive and sole private member of



the corporation, but also in the "indirect" ownership one discovers through Vinton Limited, domiciled at the same place as AS-B—at Mr. Bayer's home address. Vinton's founding capital amounts to 1.05 million forints. Among its 19 owners we find Jozsef Bayer and Zsuzsanna Berczi, each

with a 460,000-forint investment in the company, and several other owners also respond to the "Bayer" and "Berczi" names. After all this, it comes as no surprise that Vinton Limited also records as its managing executive, who heads the AS-B, the one who has recently acquired national fame.

County and City Daily Newspapers in Hungary\*

County (place of publication)	January 1989			April 1990		
	Newspaper	Owner	Circulation (thousands)	Newspaper	Owner	Circulation (thousands)
Bacs-Kiskun (Kecskemet)	PETOFI NEPE	MSZMP	56.5	PETOFI NEPE	MSZP	59.2
Baranya (Pecs)	DUNANTULI NAPLO	MSZMP	90.6	UJ DUNANTULI NAPLO	AS-B	92.3
Bekes (Bekescsaba)	BEKES MEGYEI NEPUJSAG	MSZMP	50.4	BEKES MEGYEI NEPUJSAG	MSZP	55.3
Borsod A-Z (Miskolc)	ESZAK-MAG-YARORSZAG	MSZMP	77.5	ESZAK-MAG-YARORSZAG	MSZP	81.4
Borsod A-Z (Miskolc)	DELI HIRLAP	MSZMP	14.1	DELI HIRLAP	Deli Hirlap, Ltd.	15
Csongrad (Szeged)	DELMAG-YARORSZAG	MSZMP	55.8	DELMAG-YARORSZAG	MSZP	58.5
Csongrad (Szeged)	CSONGRAD MEGYEI HIRLAP	MSZMP	39	CSONGRAD MEGYEI HIRLAP	MSZP	41.3
Fejer (Szekesfehervar)	FEJER MEGYEI HIRLAP	MSZMP	53.5	FEJER MEGYEI HIRLAP	MSZP	54.4
Gyor-Sopron (Gyor)	KISALFOLD	MSZMP	93	KISALFOLD	MSZP	94.8
Hajdu-Bihar (Debrecen)	HAJDU-BIHARI NAPLO	MSZMP	70.7	HAJDU-BIHARI NAPLO	MSZP	77.1
Heves (Eger)	NEPUJSAG	MSZMP	29.5	HEVES MEGYEI HIRLAP	AS-B	34.2
Jasz-Nagykun-Szolnok (Szolnok)	SZOLNOK MEGYEI NEPUJSAG	MSZMP	50	UJ SZOLNOK MEGYEI NEPUJSAG	AS-B	50
Komarom-Esztergom (Tatabanya)	DOLGOZOK LAPJA	MSZMP	45.7	24 ORA	AS-B	45.3
Nograd (Salgotarjan)	NOGRAD	MSZMP	21.3	UJ NOGRAD	AS-B	23
Pest (Budapest)	PEST MEGYEI HIRLAP	MSZMP	48	PEST MEGYEI HIRLAP	MSZP	45.2
Somogy (Kaposvar)	SOMOGYI NEPLAP	MSZMP	55.6	SOMOGYI NEPLAP	MSZP	58.4
Szabolcs-Szatmar-Bereg (Nyiregyhaza)	KELET-MAG-YARORSZAG	MSZMP	81	KELET-MAG-YARORSZAG	MSZP	89.8
Tolna (Szekszard)	TOLNA MEGYEI NEPUJSAG	MSZMP	27.9	TOLNAI NEPUJSAG	AS-B	33
Vas (Szombathely)	VAS NEPE	MSZMP	62.3	VAS NEPE	MSZP	67.4
Veszprem (Veszprem)	NAPLO	MSZMP	56.4	NAPLO	MSZP	45
Zala (Zalaegerszeg)	ZALAI HIRLAP	MSZMP	70.8	ZALAI HIRLAP	MSZP	74.7

\* Reflecting the conditions of 9 April, the table shows newspapers commonly referred to as "county newspapers." For this reason two city newspapers are included in the table, while newspapers published in the countryside but which have national circulation (e.g. DATUM) are not included in the table.

## POLAND

**RSW Breakup: Future Prospects of Selected Publications**

90EP0497A Warsaw GAZETA WYBORCZA in Polish  
3 Apr 90 pp 5-6

[Article by Anna Bikont: "Orphaned by the RSW"]

[Text] Newspapers owe money to printing plants, printing plants owe money to pulp and paper plants, and pulp and paper plants claim that they have no funds to pay wages to their workforces. The Bialystok Press Publishing House owes 460 million zlotys for printing GAZETA WSPOLCZESNA and KURIER PODLASKI. What will happen once this big concern is liquidated? If a cooperative formed by employees takes over the assets of this unit, it will also take over its liabilities. If part of the assets is auctioned off, what about the settlement of liabilities? The remaining arrears will have to be paid out of the assets of the RSW [Workers' Cooperative Publishing House] by the liquidation commission. Yet the debt of the RSW is growing daily: its publishing departments are in arrears with payments to the postal, telecommunications, and other services. That is why the problem of forming a liquidation commission is unusually urgent.

**Who Will Buy It? Who Will Accept It?**

The huge assets of the RSW include 247 periodicals, 45 of the existing dailies, the Pexim Foreign Trade Enterprise, Ars Polona, three pulp and paper plants, 19 printing plants, six publishing houses in Warsaw alone, 16 local publishing and distributing organizations, the Interpress, the Central Photographic Agency, book publishing houses, and 33,000 street kiosks and bookstores. All these huge assets will be any day now taken over by a liquidation commission to be appointed by the Premier. The joint-stock companies formed after August 1989 to take over the RSW assets also will be dissolved.

The decree passed on 22 March by Sejm mentions the possibility of transferring to cooperatives the assets of publishing houses or other units of the RSW if these cooperatives are founded by at least one-half of the employees of a given RSW unit and if their employees purchase shares equal to at least their average pay for 3 months in 1989, (the remainder of the assets will be auctioned off).

To the employees of a printing plant in Lodz, which is worth about 100 billion zlotys, this means that it will suffice for each of them to contribute 600,000 zlotys in order to establish a cooperative based on such big assets. In a referendum, 70 percent of these employees supported founding the cooperative.

Undersecretary of State Jerzy Ciemniewski, one of the framers of the decree liquidating the RSW, claims that there is no problem. After all, the decision will be up to the liquidation commission, which need not consent to the

founding of the cooperative. In his opinion, this hardly is a question of transferring the assets of the printing plant to the cooperative, because the framers of the decree had in mind [transferring the assets to] editorial teams. According to Ciemniewski, the principal assets consist [in most cases] in the name, plus a few tables, chairs and typewriters, which are hardly worth much.

I asked Deputy Tadeusz Dziuba (Democratic Party), who reports on this issue to the Sejm, what does this mean in practice. Why is it that a reporter working for a quite good regional periodical that faces bankruptcy and whose fixed assets indeed amount to just a few tables and typewriters, has to risk his 3 months' pay while a reporter working for a large-circulation daily of the former PZPR, with its huge assets, will become the member of a cooperative owning a high-rise building and extensive and expensive facilities? "I am a liberal by conviction," Deputy Dziuba answered.

**Everything Will Be in the Hands of the Liquidators**

Will the adopted solutions provide protection against nomenklatura-dominated joint-stock companies? This question was raised by senators in the Sejm's Culture Commission, but the amendments they proposed did not pass, because of the general feeling that delays in promulgating the decree could no longer be brooked.

According to a telex we received from a worried GAZETA correspondent, the employees of KURIER PODLASKI have already established a cooperative and elected as its chairman the Editor in Chief Wieslaw Kobylinski, previously an employee of the Bialystok Voivodship PZPR Committee.

In the opinion of a law adviser of GAZETA WYBORCZA, that was a deliberate approach: a cooperative rather than a joint-stock company, with the object of preventing domination by the nomenklatura. But the consequence is that employees would become owners of huge assets on investing only insubstantial resources. To be sure a cooperative's members cannot receive dividends from profits (except in the form of bonuses or awards), unlike stockholders in a joint-stock company, but a cooperative can establish a joint-stock company and limit its own operations to a minimum. The editors contribute the title of a periodical to the joint-stock company, and the cooperative engages in a joint venture with Western capital. Thereupon the employees of the cooperative are hired by the joint-stock company and receive practical dividends from profits from the capital they had contributed in the form of their wages, with no limitations on these dividends. This would mean that some of the joint-stock companies liquidated by the law will be thus re-established.

In the opinion of the head of the legal office of the Senate, a cooperative cannot establish a joint-stock company and all the above reasoning is pointless.

But in the opinion of Minister Cierniewski a cooperative can establish a joint-stock company and, further, engage in a joint venture with Western capital. But where would it find a Western partner who would be interested in an unpopular periodical and miserable facilities? It is the market that will decide which newspapers survive, and that is just the point of the decree.

From all this, one thing is clear: Various interpretations of the resolution to liquidate the RSW and the law on cooperatives are possible, and specific decisions are up to the liquidation commission.

The version of the decree presented by Sejm deputies specifies a sole liquidator. "This would make possible rapid decisionmaking and be consonant with the law on cooperatives," Deputy Dziuba said, "whereas at present a commission would be unwieldy and mean endless delays on debatable issues which will arise in large numbers. But it appears that a committee instead of one person as the liquidator was part of the political contract."

#### **A Leap Into the Unknown**

"No one is able to work," I was told at the offices of several newspapers. "There are continual gatherings in the hallways," I was told at ZYCIE WARSZAWY. "There is much fear," declared Deputy Editor in Chief of TRYBUNA Stanislaw Cwik. The entire last week was spent in an atmosphere of meetings, whispered rumors, and unclear plans, because not only is the language of the decree too generalized but many editorial teams are familiar with it only from press commentaries.

A majority of the reporters now taking a decision on what to do next have a rather foggy idea of the financial situation and development prospects of their newspapers. Such figures are reluctantly provided by the RSW; besides, this ignorance is natural, because hitherto the RSW was the publisher, took in the profits, and finances were its worry.

After months of negotiations, several periodicals obtained consent to separate themselves from that Moloch, the RSW, on condition that it would own shares in their joint-stock companies. These and other periodicals, which have for months been fruitlessly attempting to gain independence from the RSW are better prepared and already have ideas of their own about their self-sufficiency. Yet at the same time, their joyful optimism seems suspect, as if they were not quite aware of what they are doing.

#### **The Moloch Is Dead. Will the Press Survive?**

We all are glad that the RSW, that personification of totalitarian monopoly, that bone in the throat of the nascent democracy, has collapsed. But it is worthwhile realizing the consequences of that collapse.

True, I am told at every editorial office that the RSW collected a huge tribute for its ramified structure, and for

the PZPR Central Committee. But it is also true that the profits of that concern were derived from the fact that it was systematically exempted from taxes which could have flowed into the State Budget. (In 1989 the RSW paid a 1-percent income tax and was completely exempt from the turnover tax, from taxes payable to the fund for servicing the foreign debt, and from the wage tax, which saved it 85 billion zlotys!) It was as if every citizen were paying a tax for party propaganda.

Thus everyone paid for the press in Poland. Now, however, only the readers of a particular periodical and its particular sponsors will pay for that periodical. This is a healthy situation, but it may prove a lethal one to many periodicals.

#### **A Buyer May Perhaps Be Found, But Where Is the Seller?**

For a newspaper to survive, it is not enough to find readers who will buy it. It also must find someone willing to sell it.

Sales of the press are still a problem: newspapers occupy a lot of space but newspaper kiosks are small in size and have to be opened very early in the morning as people are accustomed to buying newspapers en route to work. At the same time, newspaper sales are not a very profitable business.

In Poland in the years when the political system worked well, the distribution system also performed irreproachably. In the remotest nooks and crannies of the country it used to be possible to buy the day's issue of TRYBUNA LUDU early in the morning. The distribution network was efficient because it was owned by the RSW, which also published the newspapers and sold them together with other income-producing merchandise. The ideological genesis of the RSW was such that the Ruch [press distribution] network was subordinated to the distribution needs of TRYBUNA LUDU [the main PZPR newspaper] and local party newspapers. Hence the particular pattern of geographical distribution of the kiosks, and hence the early hours of their opening and the corresponding transportation arrangements, from which other newspapers, including GAZETA WYBORCZA, also benefited.

It is readily seen that the distribution network will be markedly curtailed in the very near future (even now many kiosks no longer operate) or that the profit margin of the distributors will be substantially increased. At present this margin is 27.5 percent of the price of a newspaper, whereas in, e.g., France it ranges from 40 to 50 percent. This means another increase in newspaper prices and hence also another decline in demand for newspapers.

The problems with distribution will be particularly nettlesome to nationally distributed newspapers and weeklies. Local newspapers will find it easier to be resourceful on their own. For example, CZAS, the new independent Krakow daily, has from the outset assumed that it will

handle on its own the distribution of one-half of its daily edition. Similar ideas are being entertained by ZYCIE WARSZAWY and the Gdansk dailies GLOS WYBRZEZA and WIECZOR WYBRZEZA (the afternoon edition would be delivered to homes and mailboxes would be attached to doors by a joint-stock company which would thus advertise its Venetian blinds).

#### The Cooperatives Are Waiting for a Decision

All the reporters, clerical employees, and pensioners from KOBIETA I ZYCIE, the quarterly PANI, and the monthly WYKROJE I WZORY have already last February (on the initiative of both the Association of Polish Journalists and the Association of Journalists of the Polish Republic) registered in a court an employee-owned joint-stock company, "Samo Zycie," without the RSW as a partner. But so far nothing more came of it, because the RSW stoutly resisted surrendering the golden goose represented by women's periodicals; by now, however, these editorial teams are ready to implement the new regulations. At a meeting last week it was resolved that the same group of employees will move to establish a labor cooperative.

The circulation of KOBIETA I ZYCIE, which now costs 1,550 zlotys per copy, has fallen to 400,000 from 600,000. In the opinion of the female reporters of KOBIETA, the price of this periodical can be reduced once it converts to financial autonomy and handles on its own part of its distribution (including sales of overpriced returned copies at crowded places in the city). Also planned is a reduction in the prices of institutional subscriptions for large workplaces at which most employees are women.

One hundred (out of the 110) employees of EXPRESS resolved on March 30 to establish a cooperative. Its Editor in Chief Lukasiewicz also signed the petition. When he was told that the others would vote whether to admit him as a member of the cooperative, he failed to appear at the founding meeting. At that meeting it was resolved that with regard to persons who are "not guaranteed," cooperative members may demand a vetting procedure.

A cooperative was formed last week by reporters from the agricultural periodical GROMADA, which had even before found domestic sponsors for itself and wanted to broaden its operations by providing legal advice to farmers, establishing newspaper kiosks in the countryside, etc. But they are fearful that Czytelnik [a publishing house] would then demand the return of ROLNIK POLSKI, [a periodical] incorporated in GROMADA in the 1960's.

The afternoon daily ECHO KRAKOWA had earlier thought of founding an employee-owned joint-stock company in which shares would also be held by the Krakow Industrial Society, but now it is certain to establish a cooperative instead. As for TEMPO, which is published three times weekly, it is pondering whether to

return under the wings of Czytelnik, establish a cooperative from employee contributions, or let itself be bought by the independent entrepreneur Waldemar Pelc, the Krakow press minimagnate, and be merged with the independent daily DEPEZA which he is publishing in Krakow. The Krakow DZIENNIK POLSKI desires to re-establish itself as a readers' cooperative.

#### Will the Party Press Disappear?

According to a recently completed audit of the RSW by the NIK [Supreme Chamber of Inspection], in 1989 TRYBUNA LUDU had a deficit of 8 billion zlotys, much more than the other nine deficit units of the RSW (combined losses of 14 billion zlotys). The printing plant in Lodz claims that TRYBUNA owes it 2.5 billion zlotys. The TRYBUNA editors say that they have not the wherewithal to pay and that printing plants demand immediate payments from them whereas they are more indulgent toward other customers. The lack of a sponsor is tantamount to the death of TRYBUNA, admitted its deputy editor in chief. The fate of this newspaper hinges on the decision of the Association of Journalists of the Polish Republic.

At GAZETA KRAKOWSKA (which had its heyday in the years 1980-81 but is at present generally viewed as an old organ of the Krakow Voivodship PZPR Committee) the employees are rather disinclined to risk 3 months' pay in order to save the newspaper. They claim that the search for a sponsor who would invest 1 billion zlotys in this newspaper is continuing. But no sponsor is coming forward, although many potential sponsors are wooing other Krakow newspapers.

The best-situated [party newspaper] is of a certainty TRYBUNA ROBOTNICZA, published in Silesia (circulation 200,000 and for the Friday edition with weekend magazine, 836,000). Deputy Editor in Chief Krzysztof Kuzniewski told us that TRYBUNA ROBOTNICZA is a prospering firm which reached profits of 354 million zlotys for January and February. According to our calculations, however, that newspaper is being sold at below cost.

It is conceivable that Social Democracy [the renamed PZPR] will publish several newspapers and periodicals, but can it afford it?

#### "Foreigner Wanted by Attractive Woman"

WIECZOR WYBRZEZA is thinking about color-advertisement inserts paid for by foreign enterprises, as well as about publishing comics. GLOS WYBRZEZA is thinking about publishing horoscopes. The growth of gutter press seems inexorable. Most newspapers and periodicals are longingly ogling Western capital (the exceptions being EXPRESS, ZYCIE WARSZAWY, and POLITYKA, whose reporters claim that their newspapers can and will manage on their own).

The interest is reciprocated. Western capital has already good experience gained in Hungary, Lithuania, and

Estonia. The market is being investigated by many press potentates, such as Murdoch, Maxwell, and Hersat. Many proposals are being offered by Swedes and Norwegians. A sponsor from the United States wants to buy the Silesian WIECZOR.

PRZEKROJ (which the RSW had prophesied would fail because it is printed on special paper) is negotiating with Italian publishers from Milan to establish a joint venture. It has already held discussions with Speaker of Senate Stelmachowski, who is initiating the establishment of a new Polonia institution, Wspolnota Polska [the Polish National Community]. The Speaker has welcomed the idea of affiliating PRZEKROJ, which is popular with Polish readers abroad, with that organization.

#### **Commission, Do Thy Duty!**

The liquidating commission will be established on the day the decree takes effect. It is assumed that its membership has already been determined, but we have not been able to obtain information on this topic. When I asked Minister Ciemniewski when will that commission end its activities, he answered, "Such a task cannot be reckoned in weeks or even in months."

#### **Slow Reform Process, Need for More Respect of Army Viewed**

90EP0501A Warsaw POLITYKA in Polish No 9,  
3 Mar 90 p 8

[Article by Colonel Antoni Nowak, an employee of "the central technical institutions of the Ministry of National Defense": "We Are Full of Thorns and Bitterness"]

[Text] The sociopolitical changes have reached into all levels of the management of the state and the economy. The rate of change is tremendous, but its peaceful course results from the wisdom of Poles.

The changes in the armed forces of the Republic of Poland, in which restructuring has been significantly less than the changes in the sociopolitical sphere, are proceeding in the reverse rhythm.

The reduction in the tactical detachments and groups and the combining of training centers have gone at such a pace, that difficulties with using the personnel of the reformed and dissolved units have arisen. Only a portion of the officers, cadets, and professional noncommissioned officers can find new positions and continue to serve in the army. There is also a shortage of resources now for retraining them in new skills as well as for returning those to civilian life who are forced to start all over again. Many of those released are threatened with unemployment, since the peculiarities of their occupation do not make it easy for them to find appropriate work, and in many places they are simply denied work. It is not surprising that many refuse to write reports asking to be released from the military.

The political changes in the armed forces affecting their character are also moving more slowly than in civilian areas. These changes cannot be complete without fully settling accounts with the old system. But this settlement cannot be personal; it cannot amount to taking revenge. Rather it must study and analyze the old system of those groups and institutions in the military which exerted undue influence on the military.

One of them is the system of courts and repression in the military. Until now I have not encountered a complete analysis of this system during the Stalinist period. Such an investigation is due those professional soldiers and their families who were improperly repressed and sentenced by the military information service. Not infrequently, a young man, a functionary of the information service, determined the "to be or not to be" of the leader of a regiment, not to mention the fate of those lower in the military hierarchy. Where did the military "guardians of the system" find asylum after that service was dissolved? In which formations and institutions? Even today these issues remain alive in us; painful memories return of unexplained court cases; the honor properly due many condemned as spies and traitors has not been restored to them; even today those who committed these evils have not been condemned.

The operation and methods of work of the services that took over a part of the tasks of the old military information should also be subjected to analysis. It may prove essential in their eventual reorganization to meet the needs and concepts of democracy.

The activities and role of political institutions and organizations in the military that shaped its moral and political characters and served as transmission links between the PZPR Central Committee and the military and their role during times of crisis and at political turning points also demand analysis. Perhaps here lies the sources of the many decisions inappropriate to the uniform and honor of a Polish soldier, of the many bad practices of inducting candidates into the PZPR, of evaluating and promoting personnel within the service?

#### **Against Whom To Be Bitter**

Professional soldiers are pursued by many questions: how did the opposition between society and the military in Poznan in 1956 come about, and how did the use of professional personnel as worker activists, for instance against students in March 1968, happen? For us these questions are a thorn in our side, for the rigor of the military oath was abused. Society has not forgotten about them, especially those adult citizens who were students then. On what basis did the party and state authorities decide to use the military against the shipyard workers in 1970? In any case, there was neither a state of emergency nor martial law in force at the time! How did it happen that an avalanche of protests and struggles broke out then? What actually provoked them and why was the military involved in the situation? Against whom should we be bitter? Against the confused

soldier or officer who was taken directly from his barracks and put in front of the gate to the Gdansk Shipyard with orders not to allow the workers in? How many little known cases like that of Sergeant Stanislaw Imianowski who protested against shooting at people, described in RZECZPOSPOLITA on 10-11 February 1990 under the title "Honor Court," are there? So far there is no one officially responsible for these cases. No one has been condemned; no one has separated themselves from these cases, as for example in relation to the use of the Polish military in Czechoslovakia in 1968.

I am consciously avoiding the participation of the military in the events of 1981. I think that only the prejudiced or the blind cannot see the dangers and horrible consequences of a civil war which might have occurred if the people had taken up battle against the forces of the Ministry of Internal Affairs. Such a possibility existed if the military had remained in its barracks. That would have accelerated intervention from the three corners of Poland which was hanging in the air anyway. That does not mean that I am reducing the guilt of the totalitarian system which caused the protests and society to boil over.

It should be asked what motivations moved the former Main Political Directorate of the Polish Army to make the struggle against the Church in the military almost an ideological virtue? Who will make up for the wrong done to personnel repressed for their views and the religious practices of their families, or for the trips abroad by children who stayed in the West? Unofficially, a few officers of the Warsaw garrison participated in celebrations in uniform; some in accord with orders, to which surely today no one will admit, in civilian dress. The majority, uninformed of the celebrations, remained at their posts. Could we not afford properly organized honors for the Polish officers murdered by the NKVD? Must a shadow fall on the military here? If higher reasons were followed, then they should have been presented at least to the military personnel.

#### **Remove the Aura From the Military**

There are as many similar questions as there were commands, decisions, and orders that did not contribute to the good name of the military, that aroused opposition among the majority of the personnel and the disfavor of some groups. Perhaps that is precisely what was concerned in this method? Where are those dogmatists who today do not have the courage to rise in defense of the military in the face of insinuations unfairly directed at the military as a whole?

Let us not get angry at such articles as Wlodzimierz Kalicki's "A Military To Be Returned" in GAZETA WYBORCZA, No. 31; let us study the comments of the deputies carefully for there is much that is right in them. Let us draw the proper conclusions from them which will help remove the aura from the military and so make it closer to society, more credible, and more respected.

The time has come to take up a series of issues in an unrestricted way that are improperly burdening and accusing the military as a whole without avoiding the external and internal circumstances and the actual instigators of the past situation.

The military serves its native land, as it has shown more than once in its public efforts to help society during natural disasters. Unpopular decisions concerning the military have pushed those accomplishments into the shadows. That arouses bitterness in those whose sweat as soldiers soaked into the fertile lowlands, on construction sites of roads, bridges, and buildings. Disclosing what happened behind the scenes in the making of unpopular decisions and events would make it possible to present many honorable attitudes and human dramas among those in uniform who did not agree with the manipulation of the military as an instrument in the political struggles of the authority apparatus.

#### **The End of the Struggle With Religion**

Today it is necessary to confirm the trust the military enjoys among society as surveys of public opinion show. To advance honorable people, reformers with high qualifications and moral values, people from outside the old system of relations. To report more quickly on the changes occurring; otherwise one might get the impression that stagnation reigns in the military, that it remains in its old ways.

The situation with regard to the changes in the former Main Political Directorate is similar. It is necessary to convince the military community and society that it was not limited to just constituting a second person in each leadership position or to a change in the name of the Main Political Directorate to Main Training Directorate, but that simultaneously and as a result of this change there has been a change in the style and content of the activities of this institution. One no longer hears, for example, about the need to seek an ideological opponent among the former opposition; there is talk of a joint way in the realization of changes which the economic and sociopolitical reform are bringing; the utopian battle with religion has ceased. At present, as Col. Father Florian Klewiado, the general dean, says, the Main Training Directorate aids in providing pastoral care in the ranks of the Polish Army. "An expression of the changes," he said, "is including military pastoral services in the structure of the Main Training Directorate in order to increase the efficiency of training work throughout the armed forces and of the role of religious training in this process." These are not yet changes that meet the expectations of the majority of the personnel. The majority is also waiting for a separation from the activities of the former Main Political Directorate, which was contrary to the traditions of the Polish military and historical truth, including the role of the Polish Armed Forces in the West and the Home Army, and the Warsaw Uprising.

Unless public opinion and the military community are properly informed about current and planned reforms in the military, the impression will arise that some institutions have adopted a waiting attitude. Information from the central level on the changes occurring must reach the detachments and details more quickly. New contents in patriotic and instructional work have still today not been introduced in place of that of the past epoch at those levels.

The lack of more information on the changes in the military frequently becomes a cause of bad feelings toward and accusations directed at the military as a whole. I think that such an attitude toward the military—and it appears fairly frequently in the press—is wrong. It constitutes a threat to political stability, for which, to a large degree, the military has been a synonym.

Today we cannot and should not blindly beat on the military—let us not divide everything and everyone into old and young. That does no one any good and awakens mistrust and divisions. It is also unnecessary to arouse emotions creating a threat to the military's unity. We will also not achieve it by silence or by hiding all the facts that have their source in the decisions contrary to accepted moral and ethical standards. But taking up these issues publicly, it is necessary to have a sense of responsibility and be aware of the military's duties and the effects of insubordination. It is also necessary to be aware of what is happening beyond the Oder and of potential threats.

## YUGOSLAVIA

### Slovenes Polled on Ethnic Relations, Secession

90EB0325A Zagreb *DANAS* in Serbo-Croatian  
20 Feb 90 pp 18-19

[Article by Zoran Medved: "That Is Slovenia"]

[Text] The Center for Research on Public Opinion and Mass Communication of the Research Institute at the Ljubljana School for Sociology, Political Science, and Journalism recently completed the processing of the final data from its traditional survey, under the joint title of "Slovene Public Opinion 1990." The collection of data in the field lasted from Christmas to the Epiphany [6 January], or, in other words, somewhere in the middle of the period that began with the Serbian economic blockade of Slovenia, and ended with the 14th Extraordinary LCY Congress. This way of measuring time is not amiss if one is aware that one of the biggest traps in annual public opinion surveys is precisely choosing the time to conduct the survey, especially in Yugoslavia, which can boast of fewer and fewer peaceful and stable periods in the life of its citizens.

This year's survey covered 10 thematic units, in the following order: social and economic relations; interethnic and interrepublic relations; Kosovo; political pluralism and the elections; sovereignty and the constitution; the army, defense, and the militia; the future of socialism here and in the world, and international relations; beliefs, traditions, customs, and values; ecology; and the last group included, obviously as a supplement intended to make certain topics more relevant, questions about the promises and errors of the Slovene communists, statements by high military officials, and the work of the federal and republic governments.

If we tried to sum up all the answers in one sentence, we would have to state that the citizens of Slovenia are frightened about the future of the country, and even more about the future of Slovenia and the level of political relations achieved in it. With respect to the latter, the results of the survey cannot confirm the complacent thesis that there is more democracy in Slovenia than in other parts of Yugoslavia, although admittedly, no one here is claiming that. Furthermore, there was an interesting unofficial comment by one of the members of the survey team that if we compare the development of political pluralism in Slovenia with the development of a fetus, it is only in the foreplay stage (!?). Let us take things in order, however.

We encounter the most fear and criticism in the answers to the questions about interethnic relations, interrepublic relations, and Kosovo. There is increased criticism with respect to Yugoslavia, so that a total of 55.2 percent of those polled feel that interethnic relations in Yugoslavia are bad or very bad, about one fifth feel that they are neither good nor bad, and only nine percent of those polled feel that those relations are good or very good. In contrast to this, 51.1 percent of the respondents claim that interethnic relations in Slovenia are good or even very good, one tenth do not agree with that, and more than a third of those polled—34.3 percent—feel that those relations are neither good nor bad. In spite of the positive assessment of interethnic relations in the republic, this year as well the respondents expressed some reservations about the so-called workers from other republics. Thus, 52.9 percent of those polled feel that the immigration of the latter threatens Slovenes, 23.9 percent oppose their establishing societies and associations, and 45.8 percent would allow the establishment of cultural societies but not political organizations for workers from other republics, while a somewhat smaller number, 45.1 percent, feel that if employees are dismissed, workers from other republics should be dismissed first. In regard to this last answer, we should point out that 42.2 percent of those polled feel that only excess workers should be dismissed, without regard to their nationality. Slovenes' fears are also indicated by the fact that 46.7 percent of the respondents feel threatened by the exacerbation of the conflict between Slovenia and Serbia, and 71.5 percent of those polled agree completely with the assertion that "Serbian domination is being spread by violence, by rallies throughout Yugoslavia,

and is threatening the autonomy of nationalities," while 52.8 percent feel that "the political concepts of Serbia and Slovenia are so different that they cannot be reconciled." With respect to Kosovo, 25.3 percent of Slovene citizens do not know what the real truth about Kosovo is, 49.9 percent believe the Slovene version, and 18.1 percent believe that neither the Serbian, Slovene, or Albanian version is the real truth about Kosovo; 55.6 percent of those polled feel that in Kosovo the Albanians have been most disregarded politically, and only 3.1 percent feel that the Serbs and Montenegrins have been. This, in turn, is completely in accordance with the observation that the events in Kosovo are "the result of the Serbian leadership's policy of the affirmation of a Greater Serbia," an observation with which fully 75.8 percent of Slovene citizens completely agree or mostly agree. Fewest of all are those—only 18.6 percent—who believe that the events in Kosovo are a consequence of the persecution of Serbs and Montenegrins by Albanians, and only slightly more, 19.3 percent, agree with the thesis of counterrevolution, i.e., that the Albanians want to secede and break up Yugoslavia.

In view of this traumatic view of relations in Yugoslavia, it is almost not surprising that in a referendum, as many as 55.4 percent of Slovenes would vote to secede from Yugoslavia, and 52.1 percent of those polled feel that it makes sense to discuss it at this time, in view of the situation in the country, while 46.8 percent of the respondents feel that the Slovene people has an inalienable right to self-determination, including the right to secede. If secession did occur, fully 76.2 percent of those polled feel that in that case new possibilities for development would be opened up for Slovenia. There is no cause for panic, however. In response to a differently phrased question, "What is your concept of the future of Slovenia?", 50.6 of those polled chose the answer "a state within the framework of a Yugoslav confederation, with a high degree of autonomy for the individual republics." Only 23.3 percent agreed with the answer "a completely independent state."

The critical attitude toward relations in Yugoslavia and the aspiration for greater autonomy within that same community have also necessarily brought about changes in views on certain joint functions of the federation. With respect to defense and attitudes toward the army, the position of those polled explicitly stresses the peacetime role of the professional army. Thus, 95.7 percent of the respondents support the position that the army should help in the event of catastrophes and natural disasters, 91.5 percent feel that the army has to protect the country from a possible foreign enemy, 87.6 percent of those polled would send soldiers to build roads and sow crops, and 86.1 percent assert that the army should be concerned with military readiness and not interfere in political life. A majority also agrees that the army should educate young people in a patriotic spirit (a total of 62.8 percent), and explicitly rejects two possible tasks for the army: protecting the political system and order in the country, and, if necessary, taking state authority into its

own hands. Slovenes do not hate the army, and have a positive opinion of most relations in it, and the set of positive answers ranging from "satisfactory" to "excellent" ranges between 60 and 70 percent for each individual statement. There was thus a positive assessment of relations among soldiers, relations between soldiers and officers, and respect for national identity, while respect for religious identity did not receive a passing grade. The survey this year also noted increased support for the proposal for civilian service to satisfy the military service requirement, which is supported by 69.8 percent of those polled. It is interesting that in 1986, for instance, when that proposal was officially presented, only 44.9 percent of the respondents supported it, and up until last year, when that topic was not particularly a factor in political discussions, the percentage of support did not exceed 50 percent! A marked shift was also observed in the answers to questions about performing military service within the territory of one's own republic, and forming units of a single nationality; 78.9 percent of those polled feel that it would be useful for the defense of the country if most of the military conscripts from Slovenia performed military service in their own republic, which is an 8.4 percent increase compared to last year, and an increase of fully 17 percent compared to the year before last. Likewise, 60.9 percent of those polled feel that it would be more acceptable to have military units consist of a single nationality, and to have the mother tongue of the members of such units used in commands and training. It is important to note that these positions were obtained before the press published the news that in January not a single recruit from Slovenia went to perform military service in his own republic. This news was received by the public with extreme indignation, and was interpreted as a tendentious political decision by the military authorities. The only rational explanation for such determinations is, once again, Kosovo and in connection with it, fear for the fate of one's sons. Since we are mentioning Kosovo, let us add that in this poll the Slovene public, in spite of all its sympathy for the republic government's decision to withdraw its militia from the province, nevertheless expressed reservations, primarily about the political role of that service. Only 30.5 percent of those polled believe that the militia is on the side of the people, while 38.9 percent feel that it is more on the side of the state and the system. Such skepticism can be explained only by emphasizing the events and the role of state security in the trial of the four [a reference to the trial of Jansa, etc., for publishing military secrets], because in response to a differently phrased question, whether the Slovene militia would disregard instructions from Belgrade in the event of the Kosovization of this republic, 55.1 percent of those polled answered in the affirmative, and only 3.4 percent felt that it would follow instructions from Belgrade.

With respect to foreign policy, the second function of the federation that was covered in the survey of Slovene public opinion, there has been an obvious decline in the standing of Yugoslavia's nonaligned orientation. It is



supported by only 5.3 percent of those polled, while 64 percent see our prospects as lying in ties with Western Europe; 74.3 percent feel that Yugoslavia should immediately request admission to the Council of Europe and the EEC. How traumatic that aspiration toward Europe is can perhaps be best shown by the answers to what is, at first glance, a simple question: should Yugoslavia restore diplomatic relations with Israel? That question could not be answered by 44.8 percent; 20.5 percent are opposed, and only 34.7 percent of those polled answered in the affirmative. Under conditions of developing political pluralism, the answers that we have cited so far give considerable maneuvering room to both the old and the new political parties in Slovenia. Before the beginning of the official election campaign, which will begin on 11 March, this is where things are least clear. In the survey, most of the data and index points were found in the columns for "undecided," while among those who have decided, the ruling parties to date still have the advantage. In the sample of the Slovene population that was polled, thus, the Socialist Alliance has the most members—38.7 percent—followed by the Slovene Socialist Youth League in second place with 11.1 percent, and the Slovene LC in third place, with 6.5 percent. All the other parties have from 0.4 to 1.6 percent of the members. The Greens have the most sympathizers—12.8 percent—with the Socialist Alliance in second place again [as published] with 12.3 percent, the Slovene Socialist Youth League in third place with 10.5 percent, the Slovene Democratic Alliance in fourth place with 8.2 percent, and the Slovene LC only in fifth place, with seven percent. The greatest weakness of the Slovene parties, while it may even be an advantage for someone, is that the future voters virtually know nothing about their programs. The percentage of voters who claim that they are familiar with the program of one of the parties ranges from 2.8 to 9.5 percent, which is negligible. It is consequently clear—and this is confirmed by the behavior of the individual parties at the first pre-election conventions—that each of them will try to impress the voters by having as many big names as possible on their ballots.

The Slovene Socialist Youth League, the future Liberal Party, has even gone so far as not announcing its candidates for the highest positions in the republic until the last day before the expiration of the deadline for registration. The extent to which that is really the right tactic at this time is not known, since an interesting polarization was observed among those polled: 44.6 percent will vote in the elections on the basis of the reputation of the candidates as personalities, while 41.4 percent believe that they will vote on the basis of the program of the party to which the candidate belongs.

In any case, it is interesting to see who heads the list of the most prominent political figures in Slovenia. Milan Kucan has a convincing lead, with 91.4 percent; Joze Smole is in second place with 62.2 percent; and Janez Stanovnik is in third place with 60.9 percent. Of the people who will run in the elections, Miran Potrc is in fifth place, and Ciril Ribicic, who is appearing on the list

for the first time, is in sixth place. Also on the list for the first time are Dr. Joze Pucnik, the leader of Demos, Janez Kocijancic, and Ljubljana Archbishop Dr. Alojzij Sustar. The following were dropped from the list: Igor Bavcar, Stefan Korosec, Dimitrij Rupel, Branko Greganovic, and Janez Jansa.

Unfortunately, we do not have reliable data, but it is said that the kind of lead on the list of the most prominent people that Milan Kucan has today was previously held only by Stane Kavcic at one time. In any case, this confirms the thesis that in the Slovene case, in the eyes of potential voters the well-known and successful figures combine all of their desires and ideals—which is truly, even without the candidates themselves really being at fault, rather unrealistic and naive political behavior. Furthermore, that confirms our thesis from the beginning of this article—that the development of political pluralism, and, we could even add, of the democratic tradition growing out of that, is still only in the "fore-play" stage in Slovenia.

In conclusion, let us look at who was polled in this year's survey of Slovene public opinion. This was a representative sample in which 88.9 percent of the respondents were Slovenes, 3.5 percent Croats, 2.7 percent Serbs, 1.5 percent each Yugoslavs and Moslems, one percent Hungarians, zero percent (!) Italians, 0.3 percent Macedonians, 0.2 percent Albanians, and 0.1 percent Montenegrins. A total of 2,075 people were polled, 53.5 percent of whom were women. Since we have mentioned this last fact, let us add that in Slovenia 44 percent of the women are employed, a fact that did not hinder almost half of those polled (49 percent) from asserting that women should not work, but should instead stay home?! That is Slovenia, too.

#### **Visit, Anti-Semitic Remarks of Ex-Ustasha Official Reported**

##### **Omrcanin Blames Jews for Crimes**

90BA0061A Belgrade POLITIKA in Serbo-Croatian  
17 Mar 90 p 8

[Article by R.K.: "Scandalous Interview in a Split Newspaper: A Ustasha Accuses the Jews"]

[Text] Professor Ivo Omrcen [as published] (born 1913) has returned to Yugoslavia after 45 years without meeting with hindrance or objection. He demonstrated at once that he had not come to spend the days of his old age in peace, but to engage in political struggle with his—as he called it—new party, which is right now waiting to be registered. What does he want, this top official of the Ministry of Foreign Affairs of the so-called Independent State of Croatia (NDH) and Pavelic's authorized minister in Berlin, who after the war performed the further service of obtaining Ante Pavelic a visa to flee to Argentina?

He explained this in a brief interview with the Split newspaper SLOBODNI TJEDNIK (No 3). If we take

into account the circumstances of war, Professor Omrcen says, then there were no negative things in the NDH, but in fact "a terrific number of positive things which make us shine like no one else, things we have not renounced, nor shall we." This supposedly includes refusal to accept Germany as a permanent partner. It was only, Omrcen says, a "momentary political alliance," which the NDH would have renounced as soon as circumstances allowed.

### Endless Cynicism

"As for terror in the NDH, that is Bolshevik propaganda," said Professor Omrcen, at the same time not concealing his endless cynicism. "We did not have terror at all, but unsuitability," he adds, explaining that he is referring to sporadic and "private conflicts," reducing all of this to the statement that Muslims and Serbs in Bosnia "converted."

But who is to blame for the massacre in Glina, for setting fire to an Orthodox church full of people?

Omrcen responds without blinking an eye: "The Jews!"

There is a mountain of terrible documentary evidence that on the night between 11 and 12 May 1941 a group of 60 Ustasha emigres, joined by a group of their collaborators in Glina, following the plan of Dr. Puk, a lawyer in Glina, who also was a minister in Pavelic's government, seized and savagely murdered about 300 Serbs.

Omrcen, however, in keeping with the commitment to which he has remained loyal throughout his life, offers a dreadful fabrication. Jews from Hungary, loaded with wealth, settled in Croatia, established the Communist Party of Yugoslavia, and Josip Broz Tito became their favorite....

"In 1941, the Jews organized the first actions against the NDH," Omrcen says, and when Stalin gave the order to Hebrang to recognize that state, the deal being recognition of the Communist Party in return, they could not stand that, and so they 'did Glina.' All that happened was some flag was set fire to in a corner of the church in Glina, but no one was killed. The massacre is a fairy tale," Omrcen says, "which the Jews made up." Thus, as far as Glina is concerned, the Ustashi not only didn't do it, they never even heard of it.

### Out of Jasenovac—Hollywood!

Omrcen likewise speaks with extreme callousness about Jasenovac. It occurred only as a form of response of "our people" (the Ustashi) to the assaults of the Jews—the Communists. Since in those actions some people had been left homeless ("And you could not leave them without a roof over their head"), the camps were then created, and as for all the rest, according to Omrcen, the Jews are in any case to blame, since, according to him, their life in the camps was "still pretty well-off."

Here is a typical exchange following Omrcen's remark that the Jews who fled with their treasure from Hungary had created a Hollywood in our country.

"In other words, even here the Jews made a Hollywood out of Jasenovac?"

"They did, they absolutely did, since their imagination is so great, and this will be clearest to you if you realize that all the animated films are Jewish films."

Omrcen then went on in this style to recall his superiors during the war. Artukovic, according to him, was "like a young woman from Srem, gentle, charming, and beautiful," and Pavelic was "a revolutionary, a man of intellect and great determination." As one might have supposed, Omrcen speaks of Tito in the blackest terms and uses the worst insults. Draza Mihajlovic, he says, was a war criminal, since he slaughtered Croats. But in response to the objection that the Croats massacred Serbs, Omrcen responded heatedly: "There are no documents. That has all been fabricated. It is not the truth," adding that there is not a single document in the book "Jasenovac" that objectively could pass world criticism.

### Still No Reaction

Omrcen is taking merciless advantage of Miroslav Krleža's not being among the living when he says, reducing the writer to the role of a kind of court jester, that he was friendly with the head of state. Lest there be any confusion, he also adds that "when the head of state felt like having an agreeable conversation, he would have it with Krleža." But he does not leave even the living in peace, asserting, for example, that Slavko Goldstajn, Zagreb journalist and one of the leaders of the party HSLS [Croatian Social-Liberal Alliance], has been receiving all kinds of money from American Jews. Omrcen represents himself as a great democrat, but in his rooting for Franjo Tudjman ("Although he has his faults, there probably is no better man than he for being able to rule his people"), he reveals his true nature.

Forecasting that the HDZ [Croatian Democratic Community] will win the elections (at the same time referring to the chances of the Communists as "none at all"), here is his answer to the question of what will happen to the Croatian Parliament?

"When Tudjman wins, everything will be as he orders."

There still has been no official reaction to this interview given by Prof Ivo Omrcen, who is seething with base passions and irritating fabrications made up of an odious twisting of the facts and outright lies.

### Omrcanin Views Linked to Tudjman

90BA0061B Zagreb DANAS in Serbo-Croatian 3 Apr 90  
pp 28-29

[Article by Zeljko Kruselj: "The Opening Up of Old Wounds"]

[Text] Although the Jews are one of the least numerous nationalities in Yugoslavia (there are only 6,000 of them!), recently there have been more frequent attempts to involve them at any price in very far-reaching political games. That is, while in Belgrade suddenly recognized

sympathies for Israel have given birth to the Serbian-Jewish Friendship Society, whose importance is overcoming the resistance of Yugoslavia's orientation in foreign policy, in Zagreb during the same period there have been more frequent excesses with unquestionably anti-Semitic connotations. The closer we come to the elections in Croatia, the clearer the purpose is of questioning the allegiance of the Jews to the environment in which they have lived for centuries. That campaign culminated in the recent interview given by Ivo Omercanin, former official of the Independent State of Croatia, which was published in the Split newspaper SLOBODNI TJEDNIK. In it, an incredible number of untruths, horrifying accusations, and cynicism were expressed at the expense of the Jews, but others as well. It is an accurate assessment, then, that we are dealing here with the most serious anti-Semitic outbreak in postwar Yugoslav history. In the background of this story there surely is the attempt at political discreditation of Slavko Goldstein, president of the Jewish Commune in Zagreb and one of the key figures in the People's Compact Coalition. It is a curious fact that it was this same Goldstein who just two or three years ago was saying that anti-Semitism was all but negligible in Croatia, had even been displaced from the public scene, and that "Jewishness had come to be looked on favorably."

The turnabout which has occurred in the meantime is much clearer if we examine it in the chronology of political events in Yugoslavia. For decades, that is, the unwritten rule prevailed that the Jews as an ethnic community, and especially the Yugoslav Federation of Jewish Communes, did not become involved in daily politics since in earlier periods there had not been many good experiences in this regard. The radical changes on the Serbian political scene, however, did not bypass the Jews in that part of the country. Pressure was put on them to make favorable declarations concerning the motives of the "Serbian awakening," to point out on their own the points of contact in the age-old suffering of those two peoples. The ideology of innovating the Serbian national program needed the charisma of a people for whom their Balkan neighbors were also preparing a genocidal destiny, so that by means of the "Jewish syndrome" it might establish itself more easily at the international level. This gave rise to the thesis of the "eternal friendship" of Serbs and Jews, within which the other Yugoslav nationalities, the Croats above all, were given a not very honorable role of those who had always been "on the other side" and had threatened their physical survival. How absurd those comparisons are is clear from even an elementary familiarity with history on the territory of the South Slavs. The occasional anti-Semitic pogroms were not related solely to Croatian territory, but we record them in all the nationalities, depending on the periods and political situations. Indeed, as we go deeper into the past, we note that they were more frequent on the territory of what today is Serbia. For example, there were the well-known pogroms against the Vojvodina Jews in 1849, above all at Senta, the reason being that they associated themselves with the

Hungarians during the revolution. In Serbia proper, an identical shedding of blood occurred in 1865 in Sabac, which drove the great powers of that time to compel the Obrenovic Dynasty through diplomatic channels to rescind the order prohibiting Jews from settling in the interior of the country and to allow the return of those who had been driven out in previous years. It is equally well-known that the Berlin Congress in 1878 made full independence of Serbia as a state contingent upon recognition of the civic equality of all faiths, including, then, the Jewish faith, but also that the Serbian liberals of Jasa Tomic were the first modern political power to found itself upon anti-Semitism. All such measures, just as in Croatia, were bound up with the interests of the Serbian business and merchant stratum, but they almost always found support in the government as well.

The fate of the Jews in World War II is particularly fascinating from the standpoint of present-day interpretations of the spread of anti-Semitic propaganda among the various nationalities of Yugoslavia. Researchers into this problem mostly agree in their judgment that between 60,000 and 80,000 Jews were killed in Yugoslavia, which is about 80 percent of that ethnic community as it existed before the war. The percentage of those murdered in Croatia and Serbia was quite similar, which indicates that in this respect the regimes of Pavelic and Nedic did not differ essentially, and that, in addition to the well-known places of execution at Jasenovac and the Belgrade Fairgrounds, the Germans also sent Jewish transports to camps in the Third Reich without hindrance. In Belgrade itself, only one-tenth of those Jews who had lived there survived (1,000 out of 11,000!), and on the scale of suffering this comes immediately after Croatia, including Srem (20,000), and Backa and Baranja (13,500), and it is the same as the entire territory of Bosnia-Herzegovina.

With this knowledge in mind, of which every member of the Jewish community in this region is fully aware, the statement by Sadik Danon, Yugoslavia's top rabbi, in which, at the height of interethnic polarization and the campaign of the Serbian leadership against Croatia and Slovenia, he stressed that "the Serbs have never been small-minded and have never threatened our peoples," resounded dissonantly last March. This implicit division into "eternal friends" and "those others" has disturbed even the leadership of the Jewish Commune in Zagreb. The danger even threatened of a split within the Yugoslav Federation of Jewish Communes since certain assessments of Yugoslav events had been interpreted as "bending to the Milosevic line." Nor did a segment of the public honor as an alleviating circumstance the fact that Danon's and certain other statements were the result of dissatisfaction with the way in which the Star of David was used at the famous rally in the Cankar Center in Ljubljana, which was directed against repression in Kosovo. Although it is really difficult to obtain information about events within the Federation of Jewish Communes, it is certain that members of the leadership have agreed that that community will refrain from unnecessary involvement in political conflicts in Yugoslavia.

A year ago, the Federation of Jewish Communes mostly adhered to that, but that principle seems not to have been valid for a segment of the membership in Serbia. The Serbian-Jewish Friendship Society, which even today does not include some of the most prestigious intellectuals of Jewish nationality, has, however, taken another road, persistently emphasizing the immeasurable kinship of these two particular cultures. Which is to suggest a different status of that ethnic group in other communities. At the founding group of the society, emphasis was put on the need to study the common roots of "anti-Semitism" and "Serbophobia," as though down through history the two peoples had been in the same position and surrounded by the same adversaries. There is, for example, the well-known statement of the philosopher Ljuba Tadic, the society's president, that between Serbs and Jews "hostile sentiments had never been nurtured, nor did anti-Semitism ever have advocates in the masses of the Serbian people." At meetings organized by the Serbian-Jewish Friendship Society, they talk mainly about Kosovo, and the Serbs and Montenegrins are taken as a metaphor for all Jewish suffering down through history, and the way the Israeli administration is administering the occupied territories of Palestine today is taken as an example of the line that should also be followed in the "heart of the medieval Serbian state."

An attempt is made along the same lines to "copy" the Israeli experience in colonizing the occupied territories and building new settlements, which is reminiscent of the policy of the Serbian leadership toward Kosovo officially adopted some months ago. The new wave of mythologization of mutual relations also indicates that there is truly no measure in all of this in spite of the lack of enthusiasm among Jews in other parts of Yugoslavia. At the Founding Assembly of the Nis Chapter of the Serbian-Jewish Friendship Society, held a few days ago in an atmosphere of overheated passions, Enriko Josif said that Serbia "alone supported a people so persecuted—the Jews," while "people's deputy" Brana Crncevic quoted a statement attributed to the mayor of Tel Aviv: "You Serbs must be a good people when the Jews love you."

What in Yugoslavia is read "between the lines" Serbian emissaries in the United States have been attempting for a long time now. They have figured out, that is, what a large influence the Jewish lobby has within the most powerful of the great powers in the world, and that its support for the Serbian lobby there, which exists more "on paper" than in reality, could have decisive importance to a "permanent solution of the Kosovo question." Since the American administration takes a dim view of Milosevic's policy, and this is also hampering Serbia in applying "all means" in Kosovo, Bogdan Maglic and other "lobbyists" have been attempting through American Jews to block the surely overestimated influence of the Albanian lobby and to win over Americans to treating the "southern province of Serbia" just like the newly conquered Israeli lands. Were that to succeed,

official Yugoslav policy would certainly suffer a bitter defeat. The facts are being ignored in that game, including the fact that even the Federal Secretariat for Foreign Affairs is working to normalize Yugoslav-Israeli relations, and to do so in a way that would not compromise the country's international reputation, especially since there is a great interest in cooperation with Israel in our other republics as well.

Using the Jews in settling interethnic accounts, and particularly the effort to associate with the policy of Serbian expansionism, has had the effect of reviving certain old animosities, and the other day this was accompanied by what so far is the most flagrant anti-Semitic excess in SLOBODNI TJEDNIK. Certain groups in Croatia have wholeheartedly taken up the thesis of the Serbian nationalists to the effect that in their destiny the Serbs are the "lost tribe of David," so that they might spread dissatisfaction with the "aggressive Serbian expansionism" even to the "collaborators" in the small, but nimble Jewish community. Irrational suspicion of Zagreb Jews was related to obscure remarks about why the Serbian rather than the Croatian word for "Jewish" is used in the phrase "Jewish Commune" at the entrance to their premises (the reasons in any case have very little to do with the way those words are used in the Serbo-Croatian linguistic area!), it was intensified by suppositions as to why they are insisting on rebuilding a synagogue destroyed during the war, and all this has been followed by certain "misunderstandings" in the press and public relations.

The first specific occasion for official reaction of the leadership of the Jewish Commune in Zagreb was Franjo Tudjman's book "Bespuca povijesne zbiljnosti" [Uncharted Areas of Historical Reality], in which the author, while explaining the "myth of Jasenovac," quotes two statements by inmates of that camp, Vojislav Prnjatovic and Ante Ciliga, which are significant in that they depart from other views of the role of the Jews in them. Briefly stated, it is a question of charges by both witnesses that it was the Jewish inmates of the camp who terrorized and liquidated the other inmates, especially the Serbs. The Jews, according to them, were "pets" of the Ustashi, those responsible for the entire internal organization of the camp, and they used their position to plunder the other inmates. "A Jew remains a Jew, even in Jasenovac camp," Prnjatovic concluded, attributing to them "selfishness, craftiness, stinginess, perfidiousness, and betrayal," as well as an inclination to "constantly and cleverly carry on intrigues against the Serbs." Ciliga fitted into that picture with his observations, except that he interpreted it in terms of Pavelic's "philosemitism," more precisely by the assertion that the Frankists no less, from whom the Ustasha movement developed, were a "Jewish party among the Croats." What Tudjman "overlooked" in passing on these opinions was that he did not go very far in clarifying who these people are and what the purpose of their statements was. That is, Prnjatovic made his statement in March 1942 to the Commissariat for Refugees of Nedic's

government in Belgrade, which was at the very height of anti-Semitic persecutions in Serbia, which in this way he was indirectly justifying, while it was in Jasenovac that Ciliga succumbed once and for all to Pavelic's offer that he become a Ustasha informer. The alleged behavior of the Jews in the camp was later used to defend the thesis that the policy to which the leadership of the Independent State of Croatia committed itself had to be conducted. The Jewish Commune in Zagreb, however, never viewed this as "poetic license," and because of Tadjman's book it broke off all business ties with the publishing house of Matica Hrvatska, the publisher of "Bespuca."

At almost the same time, the apocryphal "Protocol of Zionist Wise Men," a text in which Jews allegedly reveal their intention of ruling the world in the near future, appeared in the Ljubljana TRIBUNA without even one word of explanation. Charges were brought unsuccessfully against TRIBUNA at that time, and only subsequently did Slavko Goldstein have an opportunity to explain in that newspaper that this was a historical forgery with very far-reaching consequences. That is, it had been used even by Adolf Hitler to justify his anti-Semitism, and it had been the introduction to the unprecedented genocide of the Jewish people. It is of interest to mention that the "Protocol of Zionist Wise Men" was on two occasions printed in the period between the wars in Belgrade and once in Split, for use as a devastating propaganda weapon.

Several other insinuations have been recorded as to the "anti-Croat tie-up of Serbs and Jews abroad," even in election campaign meetings, but what Ivo Omrcanin "offered to enrich" knowledge about the Jews surpassed all expectations. First of all, Omrcanin is not well enough known by the public, since as an official of the Ministry of Foreign Affairs of the Pavelic state he emigrated first to Italy, more accurately to the Vatican, for which he performed certain legal services, and then he later went to the United States and was a professor there, and, he says, a contract employee of the American Government. Indeed, he says of himself that after the Vokic-Lorkovic putsch he was appointed fully authorized minister of the Embassy of the Independent State of Croatia in Berlin. The Yugoslav literature does not confirm that boast, but

it does seem to be true that Omrcanin was one of the key people who wangled an entry visa to Argentina for Pavelic and prevented the deportation of Andrija Artukovic. He has written a number of books, most of them of no historical significance, in which he justifies the establishment and practice of the Independent State of Croatia from extremist positions. It is Omrcanin's intention to offer those books as soon as possible to the local public, but also to establish his own political party.

It is plain difficult to recount everything that Omrcanin uttered about the Jews: for example, that they are the only ones to blame for the well-known massacre of Serbs and the setting of fire to the Orthodox church in Glina, that they are responsible for the tragedy in Kerestinec, that they made a Hollywood of Jasenovac, that back in 1919 they attempted to establish a Bolshevik republic in Zagreb, that the Jewish organization B'nai B'rith governs the entire world and that they are the ones who "did in" Artukovic. There were also a number of absurd statements about Josip Broz, Andrija Hebrang, Miroslav Krleža, certain British politicians who "imposed" communism on Yugoslavia, for which there is no support whatsoever in any serious literature, not even that emigre literature.

The tardy apology by the editors of SLOBODNI TJEDNIK because of this obvious provocation, whose purpose was to attempt to force upon the public the assertion that Slavko Goldstein, president of the Jewish Commune, was being directly financed by American Zionist circles, presumably in order to do as much harm as possible to Croatian national interests, was followed by a proposal to institute criminal proceedings against Ivo Omrcanin, but also against Marinko Bozic, the newspaper's editor in chief. The district public prosecutor's office in Zagreb has still not responded, but it is obvious that this time we are not dealing with ordinary "carelessness," but with an attempt to inject an explicit note of anti-Semitism into the election atmosphere. The only thing certain at this point is that a role which they did not deserve is being imposed on Jews in both Belgrade and Zagreb and that those who are slandering them and those who are praising them to the sky are equally dangerous.

## EAST GERMANY

**Domestic Freight Transport Problems Outlined**

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[Article by Hermann Spehr, based on a speech at the 1989 16th Scientific Transport Meetings in Dresden: "Development of Quality in Domestic Freight Transport and Its Economic Aspects"]

[Text]

**1. Introduction**

In the past it was possible for the GDR transport industries to realize substantial increases in freight transport volume. Thus, between 1960 and 1989 domestic freight transport volume rose from 37.8 billion tons/km to 69.4 billion tons/km and, specifically in the case of the railroad from 32.9 billion tons/km to 59.0 billion tons/km. This increase in performance was achieved by steadily intensifying the transport processes in transport facilities which had undergone negligible expansion and modernization. Accordingly, the largest part of the available material and financial capital, as well as of the scientific-technical solutions and not least the growth in work capacity was concentrated on expanding quantitative efficiency.

One consequence of this approach was the fact that it was not possible to develop the qualitative efficiency of the transport industries to the degree which would have been necessary. In part it was even necessary to accept a decline in transport quality.

Along with the necessary transition to efficient economic reforms in all sectors of the economy, questions about better transport quality are also receiving a substantially higher priority.

To an increasing degree the quality of domestic freight transport impacts the efficiency of the reproduction process in the rest of the economy.

Since enhancing the quality of the transport processes generally requires additional expenditures, the economic efficiency of all appropriate measures must be determined by making a comparison between all the effects of enhancing transport quality for transport customers as well as for the transport system itself and the costs of quality-enhancing measures.

In this connection what follows provides a beginning. In addition, the individual effects of selected quality factors are to be highlighted and their magnitude defined.

**2. Basis for Evaluating Transport Quality**

Transport quality influences various production, circulation and consumption parameters. In part this influence can be quantified, but in many instances, given our present state of knowledge, it can only be summarized verbally.

The effects which can be quantified include, first of all, the current assets committed because of the goods in the transport process and the level of losses and damages which are caused in the transport process. Even transshipping and storage costs have been partially determined. Oral statements on effects stemming from the transport processes and occurring in the other sectors of the economy must be provided in all those instances in which transport research provides only inadequate insight into the technical-technological processes in these sectors. For example, these concern the advantages of undisrupted production which has low storage requirements and is flexible and which can rely on a high-quality transport system.

Results which emerge from studies on the magnitude of quantifiable effects can be summarized as follows:

**Commitment of Current Assets**

The magnitude of the current assets which are committed because of the goods in the transport process depends on the volume of goods which in a specified time period are turned over to the transport industries to be transported, on the time involved in transporting and on the value of the goods. In this, consideration must be given to the differences which are accounted for by the time involved in transport in the individual transport industries as well as for different transport technologies; this is also true of the different value structures in transport industries and transport technologies.

By way of an example reference is to be made to transport in complete DR [GDR railroad] train loads. Goods which are transported using this technology are in the transport process for a substantially shorter time than those goods which are transported with other technologies, but which on average also have a lesser value.

Consideration of these and other differentiation factors permits making the following statements concerning domestic freight transport:

- There are always 2.5-3.0 million tons of goods in the transport process, of these the DR alone accounts for 2.0-2.4 million tons; the value of these goods amounts to more than M 3 billion.
- The value of goods which are always committed to railroad transport is almost six times as great as that of goods being transported by road although the annual volume of goods transported by road (including factory transport) is greater than that of the railroad.

### Damages and Losses

In spite of a high economic costs for packing, amounting to M 5-6 billion per year, the value of losses and damages to goods which are being transported is substantial. Based on rough economic calculations for the entire transport, transshipping and warehousing sector, losses amount to M 2-3 billion per year, for which M 300-400 million are caused by the carriers. Determining the magnitude and structure of the losses is not only a scientific problem, but also a practical one since only in that way it is possible to systematically eliminate their causes.

The difficulty in determining them rests not only in problems of definition (what are transport losses anyway?), but also in recording the statistics in the transport industries. Damages and losses are for the most part recorded by the industries only if reimbursements are required.

Damages which are regulated by insurance or which the transport customers themselves bear are not recorded, but are indeed important for economic assessment. Railroad and vehicle traffic themselves identify the damages mentioned above as being less than M 100 million.

### 3. Transport Quality and Its Factors

In transport theory and practice the importance and content of transport quality are traditionally still assessed differently. Thus, it is essential to delineate the range of problems in transport quality.

Transport quality is defined as the "totality of the characteristics of a transport service provided which determines the degree of suitability for the purpose in question. Specifically, these are the requirements which, with consideration of the technical-economic conditions of the individual transport industries and the nature of the items being transported, are imposed by the...transport customers on the transport process."<sup>1</sup>

In general it can be characterized as the utility value of the transport services.

Of course, there are different views if individual transport quality factors are included.

One segment of the factors under discussion is cited by almost all authors of comparable publications, even if the terms used differ somewhat from one another. Other factors, mentioned in single sources, are not supported by the majority of the authors.

The selection of quality factors for this article is to be illustrated using the example of the results of work at the IKTP [Institute of Transportation and Related Problems] in Moscow.

As major factors in transport quality Komarov<sup>2</sup> includes:

- meeting the needs of the economy's enterprises for freight transport according to volume,
- possibility of immediate consumption of the freight delivered with minimal additional costs,

- method of servicing enterprises with rolling stock,
- speed of delivering goods,
- security of the goods being transported, and
- costs of delivering the goods "from portal to portal."

The first of these factors is not used by the overwhelming majority of other authors and should rather be viewed as a quantitative aspect of the efficiency of the transport system.

In some cases costs are cited as a quality factor. The transport price, as an expression of the value of the transport and as the means to meet the costs, in the view of the author represents a different task within the range of transport quality problems. It should stimulate a high degree of transport quality and compensate for larger expenditures for qualitatively more valuable services. Thus, at the same time a part of the economic utility of better transport quality could be advantageous for the transport system—an idea which Komarov likewise advocates.

When generalizing the quality factors which were cited by Komarov, and on the basis of advancing studies at the ZFIV/ZTOe [Central Research Institute of GDR Transport/Central Office for Transport Economy] the following factors are taken as the basis of observations on quality:

- reliability (time, place, pertinence)
- transport time (speed, frequency, time)
- preventing transport damages and losses
- information about transports
- dispatching (for example, accessibility, announcing, documentation, processing complaints)
- guaranteeing additional services (for example, warehousing, sorting, cargo safety).

The sequence chosen simultaneously represents a generalized order of priority of quality facts which applies to the majority of the transport processes. Of course, deviations from the order of priority can occur for individual kinds of transport and for specific transport goods.

### 4. Evaluating Individual Quality Factors

The status and development of the freight transport process quality factors which were presented in the previous section are to be described in terms of their value for the economy, an assessment of their importance for scientific-technical development and selected effects of improving their standard.

#### Reliability

A high degree of reliability in transport has special priority for the economy.

Given the conditions of absolute self-financing, of progressive specialization and cooperation and of increasingly greater improvement in production, in order to guarantee a continuous reproduction process which runs according to plan it is particularly important that the transport means for all transport planned be made available at the agreed-upon time, at the right place, in the kind of transport means which is suited to the cargo and in a condition which permits full utilization and that

the goods to be transported are properly loaded and reach the receiver on time and undamaged.

Guaranteeing high reliability has a decisive influence on minimizing costs for transshipping and storing and optimizing production technologies using extensive transport integration.

While it is difficult to judge the effects of transport reliability on the direct production process from the point of view of transport research, an evaluation of the relative cost of warehousing should be undertaken. Secured warehousing to offset unreliable transports is reflected on the one hand in the costs of building and operating warehouses (these costs will not be given any further consideration here), on the other hand it is the source of increased commitment of current assets.

The point of departure for determining the magnitude of the commitment of current assets in secured warehousing is the value of the goods which are transported daily by the public transport industries. If it is assumed that about half of all goods transported pass through such secured warehouses, it can be assumed in general that the average commitment of current assets in the GDR economy can be reduced by more than M 40 million per hour of storage saved.

Other effects of improving reliability, which of course in part cannot be quantified, can be achieved by being able to lower transshipping costs by systematic work, to reduce the transport system's indemnification caused by delayed transports and to improve the timely utilization of transport means and facilities. Beyond that, transport damages can be reduced and transport means better utilized if there is a reliable supply of transport means which are appropriate according to type and size.

Today and especially in the future high demands in respect to reliability will be made of a transport system which functions in a qualitatively adequate manner. For example, transport customers<sup>3</sup> expect of a modern container transport system that there will be more than 95-percent transport reliability in respect to time and they regard delays of more than 10 percent as unreasonable.

#### **Transport Time**

Faster and more frequent transport at more favorable times, if the resultant reduction in transport times can be guaranteed in a stable way and can be fully utilized by the transport customer, will make a significant contribution to greater economic efficiency in the reproduction process.

The economic effects consist first of all of reducing the commitment of current assets, but also, if there is increased transport frequency, in reducing warehouse stocks. Given a more favorable situation with respect to time it is possible to have improved use of transshipping means.

Shortening transport time is especially important for very perishable and high-quality goods and in those cases where a smooth production process depends on a fast supply of certain goods.

Thus, the objective consists in guaranteeing especially short transport times for this segment of transport goods.

The standard of the transport time quality factor in the GDR's transport system must be evaluated in various ways.

In this sector public vehicle transport has a generally higher standard than the other transport industries. In spite of restricted speed limits it can offer very short transport times because of direct transport from sender to receiver (about eight hours on average) so that the actual transport time for the transport customer basically depends on the frequency of service and the favorable pickup and delivery time of the transport goods.

The following rough calculation may be cited to illustrate the importance of the transport time quality factor.

If the GDR transport system succeeds in reducing transport time by 10 percent, then it would be possible to save current assets worth more than M 250 million.

#### **Flexibility**

In the future, increasing the transport system's flexibility, the ability to satisfy on short notice new or altered transport requirements, will assume increasing importance.

In this way, from the transport side it will be possible to better accommodate the changes in production technologies and the cooperative relations due to the fast rate of renewal of production, the increasing improvement in products, the closer cooperation of enterprises with respect to the division of labor and the changing specific wishes of the customer.

Satisfying short-term transport requirements helps to reduce excessive secured warehousing, but also contributes to saving current assets since the goods arrive more quickly at the consumer than when using transports which involve a long period of time.

Increasing transport flexibility is primarily of special importance for high-quality goods which occupy a relatively modest share of the transport volume, but which account for a substantial share in the value of the goods transported.

If one proceeds on the basis of the fact that primarily the high-quality goods which are transported by rail should be transported in a more flexible way and thus more quickly, then for each hour of transport time saved there is a more than M 8 million reduction in the commitment of current assets and thus more than M 200 million per day.



### Preventing Transport Damages and Losses

Preventing transport damages and losses constitutes in part a special focal point in the transport system's quality work.

The reason for this can be found in the scope of transport damages and losses which increased rather substantially at the beginning of the 1980's and in the resultant necessity to expose the causes of this negative development and to systematically eliminate them.

A fundamental reason for the frequency of damages and losses stems from the fact that the transport and transshipping technologies and transport packing had been insufficiently adapted to the new transport requirements which emerged as a result of transport shifts. In addition, in individual enterprises repeated violations of the packing and loading regulations occur.

Even an unsuitable management-based influence on reducing transport damages and losses contributed to negative development. As studies showed, in enterprises in which transport damages were included in the plan from the very outset, for example in the form of lump sums for breakage, significantly higher losses occurred than in the enterprises in which there was consistent and systematic combating of the causes of losses.

As previously mentioned, it is difficult to estimate the level of transport damages and losses in the overall GDR economy.

If damage amounting to M 200 million is taken as the basis, a figure which can be influenced by the transport industries, and if the objective of a 10- to 20-percent annual rate of decrease can be realized, transport damages and losses would be reduced right off by M 20-40 million annually.

The problem of preventing transport damages and losses is closely linked with the problem of optimizing packing costs. The economy has the task of utilizing as economically as possible the available packing materials and at the same time reducing transport damages and losses. This task requires close cooperation between transport customers and the transport system, for example, consideration of transport requirements during production or in preparation for shipping by virtue of packaging, suitable sizes of cargo, and the like.

In general, the goal worldwide is to have a low rate of damages and losses, but falling short of this is viewed as economically inappropriate because the necessary associated cost would exceed the losses which it is supposed to avoid. Thus, various international sources suggest regarding between 30 and 80 percent of a recorded level of damages as "normal" and including it during planning as "unavoidable."

### Information About Transports

With advancing integration of transport into the production process information about transports takes on

increasing importance for transport customers, particularly if it can be combined as completely as possible with the information systems in the production processes.

The economic advantage of improved information systems is based first of all on lowering the commitment of current assets by reducing secured warehousing. Since, however, other quality factors have a greater influence on the magnitude of secured warehousing, it is generally difficult to quantify the advantage which would have to be attributed to the information quality factor.

As studies at the Ost Iron Works Combine show, it is possible, by virtue of a coordinated chain of information and the corresponding transport and production technologies, to achieve a substantial decrease in TUL [transport, transshipping, and storage] costs, for the costs for pig iron production and for freight transport and more efficient stockpiling and warehousing for ores and additives.

Conversely, in the absence of timely notification and missing information about ore types the costs for transshipping and storage rise, difficulties occur in respect to the technologically most efficient blast furnace charge and the length of stops for cars exceeds the prescribed norms.

The quality factor of information about transports has a close reciprocal relationship with the reliability quality factor.

If transports are realized with good reliability in respect to time and place, there is a decrease in the information requirements. On the other hand if there is modest reliability then it is necessary, on behalf of the transport customer, to shape more comprehensively the information about irregularly arriving transports. If in fact both quality factors are inadequately developed, economic losses become unavoidable.

To further develop the information about transports quality factor it is essential to equip the transport system over the long term with modern information processing systems and on a short-term basis to use existing systems more effectively in order to keep as low as possible the negative effects of the still inadequate reliability of the transport processes for the transport customers.

### Dispatching

Access to the transport system's processing facilities on the one hand influences the transport customers' transport and transshipping costs, on the other hand because of the the closely related shaping of the transport system network it influences the range of application of efficient transport technologies.

Thus, in a qualitatively high-quality transport system the size of the trading areas of the access points must be selected in such a way that both the transport customers' needs for specific transport services at appropriate distances can be satisfied and the development of efficient transport and transshipping technologies is possible.

For example, it is expected of a modern container transport system that it will completely open up the entire territory, while at the same time realizing as many direct connections as possible between the transshipping sites.

For the territory of the FRG there arose a derivative optimization task to the effect that this objective can best be achieved by about 50 container transshipping sites.

Improving the dispatching quality factor involves in addition such aspects as shortening times and simplifying the method of announcing transports, improved handling of accompanying documents, but also questions about speedy processing of complaints in order to satisfy the transport customers.

Improving transport quality in the dispatching modalities sector will in the future take on greater importance for the GDR's transport system. On the one hand, this will improve cooperation between transport customers and transport industries, confidence in the orderly and customer-friendly operation of the transport system, on the other hand reductions in costs can also be anticipated for the transport industries and the transport customers.

Of course, the full effectiveness of this quality factor depends largely on improving the overall quality operation of the transport system.

#### Guaranteeing Additional Services

As a measure of high transport quality, throughout the world consideration is also given to whether the transport system is able to offer additional services beyond actual transport. This affects such services as warehousing, sorting, renting transport packing or security equipment, among other things. In highly developed countries such an offer comes in part as a result of efforts to be able in the trade competition between carriers to secure entry profits in the market, but also in part from the expectation of achieving additional profits.

The GDR transport system must be tested in respect to how far individual kinds of services might contribute to higher economic efficiency.

Intermediate storage of transport goods during the transport process might contribute to improving utilization of transport means, increasing the number of direct connections and lowering the risk of damage caused by a reduction in the number of rearrangements. Yet at the same time the fact that building and operating warehouses place a burden on the transport system and that current assets would be committed to an increased degree because of longer transport times would have the effect of raising costs.

The same also applies to sorting transport goods. In individual instances an additional service offered by the

transport system would also be conceivable since utilization of the transport means could be increased and transport damages reduced.

It would likewise be possible to achieve a reduction in transport damages by renting transport packing and transport security equipment.

In judging the economic efficiency of such qualitative services in every instance there would be the fundamental principle that additional services should be taken on only if in so doing transport quality in other sectors or the qualitative efficiency of the transport system can be simultaneously improved and, moreover, a favorable cost-use ratio can be achieved.

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#### Development of Public, Private Transportation Cited

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[Article by Petra-Juliane Wagner: "Trends in Public and Private Passenger Traffic"]

[Text] The need to change one's location is a basic need of all human societies and is satisfied both by foot paths and by means of transportation. Such other needs as jobs, housing, supplies, recreation, and education can usually not be met without changes in location.

The number of location changes increases as these need become more decentralized. Since people's time is limited one can assume that a certain mobility value (changes of location per person) cannot be exceeded. The upper limit is assumed to be between 3.2 and 3.5 changes a day per inhabitant. This value corresponds roughly to an average of 90 minutes a day per inhabitant.

The qualitative requirements relating to changes in location are a function of the development of productive resources. The fact that people have more time now than in the past and that they use it for recreation is as much responsible for rising mobility, especially as it relates to consumption, as increased demands for education and, coupled with people's higher net income, demands for supplies.

Table 1 shows assumed mobility trends to the year 2010 based on currently available research.

Table 1 shows that individual modes of transportation will be nearly predominantly responsible for increased mobility and that this trend will continue, whereby the private automobile, with a share of about 70 percent of all individual travel, is the major driving force of this mobility trend.

**Table 1: Dynamic Mobility Trend (1975 = 100)**

	total	Public Transportation	Private Transportation Totals
1975	100	100	100
1980	117	105	127
1985	129	108	150
1990	142	112	174
1995	147	116	179
2000	156	119	194
2005	161	123	201
2010	164	125	205

Since the user of conveyances makes his choice primarily on the basis of quality and since, in this respect, an individual conveyance has the advantage in every respect—even with respect to cost when fully utilized—one must assume that the utilization pattern will continue to shift at the expense of public passenger service. (See Table 2)

**Table 2: Changes in Utilization Ratios Between Public Passenger Service (Railroads, Buses, Electric Local Conveyances) and Motorized Individual Travel**

	Public Passenger Service	Motorized Individual Travel
1975	49.6	50.4
1980	44.9	55.1
1985	41.5	58.5
1990	38-39	62-61
1995	38-39	62-61
2000	37-38	63-62
2010	36-37	64-63

This trend, which illustrates an increase in mobility without significantly reducing requirements for public conveyances, is basically irreversible.

A ratio of roughly 400 automobiles per 1,000 inhabitants is realistic if international statistics are taken into consideration. The currently assumed motorization index number for the GDR is 220 automobiles per 1,000 inhabitants. The prognosticated development in the GDR will probably lead to about 350 automobiles per 1,000 inhabitants by the year 2010.

Although these figures are below maximum international ratios, considerable negative effects on the total transportation system are already being felt. Aside from the growing need for parking spaces, the flow of traffic is also

decreasing, accident rates are up and the environment is irreversibly damaged, for instance, by the emission of lead.

According to current calculations the accelerated growth of individual motorization will, by the year 2000, result in lead emissions of 1.46 to 1.75 thousand tons per annum, which does not disintegrate. For each 100 km driven by one vehicle, 7 to 3 grams of lead are emitted. This means that the lead content of cereals, feed crops, etc., will double or quadruple up to a distance of 100 meters from the road.

Since the GDR's own production of automobiles has so far not been able to keep pace with demand and since imported vehicles do not make up the deficit, the mean useful life of a car has risen to far above average (1989: 24 years).

The average age of existing automobiles has risen from 7.8 years in 1975 to 11.7 years in 1985 and, given today's knowledge, is expected to rise further. This also raises the demand for maintenance services to proportionally higher levels, a demand which can neither be met currently nor, according to the planned expansions of the service, in the future. The high average age of automobiles also has a negative effect on fuel consumption since these vehicles use fuel at a much higher rate than newer vehicles. Fuel consumption of vehicles older than 10 years is approximately 0.75 to 1.0 liter per 100 km higher than for vehicles that are less than 10 years old.

For commuter traffic, however, public transportation is more acceptable than individual cars. The reasons, especially in large cities, are inadequate parking in the inner-city areas, the still "more attractive" public transportation service with regard to frequency and speed, as well as lower cost and less stress. These advantages are, however, beginning to fade with increasing motorization since a smooth flow of traffic can no longer be assured.

It is currently assumed that the existing pattern of public transportation utilization will remain basically unchanged.

In developing the railroad—with the demand for this mode of transportation remaining relatively constant—priority is given to meeting the needs of commuters, students and of long-distance business travel. Special emphasis is placed on qualitative improvements.

The following criteria are emphasized:

- safety;
- frequent trains and good connections;
- reduction of total travel time, on-time performance, reliability, speed of travel;
- travel conveniences (seating, passenger service, cleanliness).

The requirement to provide reliable transportation, particularly for commuters and students, must be satisfied primarily by the regional transportation service of the

GDR's railroad. Meeting this strategic goal has been a transportation problem for years and it is high time that results are achieved.

Since stations for suburban rail traffic are frequently not directly located in residential areas, the acceptable walking distance of 1.5 km is either exceeded or additional service by bus and streetcar is provided. Suburban regional trains do not always move on their own tracks but share them with long-distance trains. Consequently, local trains do not provide reliable service and make their more frequent use unattractive. This, too, raises the level of individual traffic (with an average commuter occupancy rate of 1.3 persons per car).

From an economic point of view this system is inefficient; however, since travelers choose their mode of transportation primarily to save time, they opt for the more convenient and faster mode—in this case for individual travel.

Motor busses will continue to predominate in future local transportation systems. They are mostly used for city and regional transportation and for feeder routes to electric conveyances. Bus service also remains important for new residential settlements. The role played by bus service within all forms of public transportation will presumably increase to more than 45 percent after the year 2000. Special transportation services must be expanded to improve people's quality of life even more. Especially citizens who do not own private means of transportation should be offered better opportunities to reach areas which are inaccessible by train.

Local public transportation by electrically operated vehicles needs to be expanded everywhere. Existing new settlements and areas of extensive residential construction will continue to be integrated by means of electric rail transportation. Electric conveyances will remain important to inner-city commuter traffic. One must assume that reliance on local public transportation will increase again in larger cities. However, this will be true only if public transportation in the coming years experiences a considerable improvement in the quality, energy efficiency and protection of the environment. Also needed in this context are structural improvements of traffic systems, for instance, by adding urban rapid rail systems.

If the public interest is not adequately served by increasing utilization of local public transportation, and especially of local electric conveyances, local passenger traffic will develop in a linear continuation of current trends. This means that city traffic will suffer even more because of increased individual motorization. As a feedback of such a development there would be even greater interference with the local public transportation system, which uses the same space (busses, trolley busses, streetcars), and a further deterioration of its quality. This, in turn, will again induce people to abandon public transportation in favor of individual modes of transportation which would be even more detrimental to public transportation. The collapse would be programmed in advance.

If public transportation were improved both qualitatively and quantitatively one could assume that it would again become more attractive to potential users. This does not, however, mean that the trend toward individual motorization could be reversed. The utilization ratio between public passenger service and individual motor travel shown in Table 2 could only be maintained if the yearly use of automobiles, and its use during rush hours, were curtailed and kept within certain limits.

The objective of future transportation policies must be to create conditions which will meet the people's comprehensive transportation needs but do so in such a way that it also makes an economical and efficient contribution to the economy as a whole.

In future the requirement of solving specific transportation needs with the most economical resources that are still adequate to do the job, must be forcefully pursued. Thus, it would be necessary, for example, to research, on the basis of actual conditions, the utilization rate of trains so that economically inefficient trains could be replaced by individual rail cars or by busses (extending their routes).

Such an approach would not only have important economic benefits, particularly with regard to the time factor, but it would also provide far-reaching operational advantages for the railroad.

The efficiency offered by public transportation must approach that of individual motorized traffic for the primary commuter and student traffic in large cities and industrial centers, for travel over high-speed highway networks and for international travel. This means primarily to provide favorable schedules for commuters and students and greatly improved long-distance travel.

The quality of long-distance rail travel in the GDR can be improved considerably by such means as improving tracks to achieve maximum speeds of 160 km per hour; introducing automated traffic control systems; expediting train changes; increasing the ability of tracks to allow trains to pass and adaptation to a safe technology.

Corresponding conditions must also be created to achieve quantitative and qualitative improvements of locally controlled transportation systems. This includes efforts to improve the quality of travel, simplified passenger service and uniform tariffs; it should also include a comprehensive system for preferential treatment of public conveyances at road junctions. Long-term requirements of this sector also include an increased supply of cars, so that their useful life can be reduced once again to a manageable period. Solving these problems involves not only certain organizational prerequisites but also significant equipment and technological prerequisites.

## POLAND

### Banks' Role in 'Bookkeeping' Budget Surplus Noted

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8 Mar 90 p 2

[Article by Marek Misiak: "Difficult Choices"]

[Text] In the last week of February and in early March of this year, the central budget registered a certain surplus of revenues over expenditures; however, many local budgets are down to nothing.

Unfortunately, the surplus in the central budget is mostly due to [loans from] the banks. It consists of a 2 trillion zloty loan from the PKO [General Savings Bank] State Bank in January (interest on this loan for January amounted to 38 percent), advances on the profits of the NBP for this year (1.04 trillion zlotys), and a payment from the profits of the NBP for last year for which the accounting has not been done yet (0.75 trillion zlotys). If we were to subtract all items of this nature from the surplus of revenue over expenditures in the central budget, which on 2 March amounted to about 4.6 trillion zlotys, only 0.8 trillion would remain.

However, in the first days of February (specifically, on Wednesday, 5 February) the "surplus" of the central budget including the proceeds of banks amounted to barely 0.03 trillion zlotys. As I have already said, the last week of February brought some relief. The revenue of the central budget increased, counting from the beginning of the year, from 13.8 trillion on 20 February to 20.5 trillion on 2 March. The contribution of considerably higher dividends played a role in this increase, among other things.

Counting from the beginning of the year, the expenditures of the central budget increased from 11.1 trillion zlotys on 20 February to 15.0 trillion on 2 March (among other things, these expenditures included the payment of interest for January on the PKO State Bank loan—0.73 trillion zlotys).

The economic units and the populace are slowly becoming interested in using the loans once again. After all, in January such indebtedness declined not only in real but also in nominal terms—from 30.7 trillion zlotys at the end of last year to 29.7 trillion at the end of January of this year. With the prices of the products sold in industry increasing by 109 percent, this meant a condition approaching agony for loans.

In consecutive 10-day periods of February, the nominal indebtedness of the economic units and the populace increased to 32.7 trillion zlotys (10 February), 36.2 trillion zlotys (20 February), and 38.3 trillion zlotys (28 February). This was definitely influenced to some degree by the decision to reduce the interest rate on refinancing loans given by the NBP to other banks from 36 percent in January to 20 percent in February and 10 percent in

March. This entailed corresponding reductions in interest rates on loans given by all banks to enterprises and the populace (the interest rates are on the average several points higher than those for refinancing loans).

However, the growth of indebtedness continues to lag far behind the growth of prices (counting from the beginning of January). Lower demand for loans is a consequence of the deep recession.

Changes in the status of cash circulation (excluding the cash stock of banks), or the so-called economic circulation—savings accounts, funds of the enterprises, and hard-currency accounts—show the behavior of the currency in February.

The circulation of cash (excluding the cash stock of banks) increased from 9.9 trillion at the end of last year to 10.9 trillion at the end of January (by about 10 percent and thus much slower than prices; I would point out that retail prices increased by 78.6 percent). However, in February a marked change compared to January became apparent. By 10 February, this circulation increased to 12.3 trillion zlotys, by 20 February—to 13.0 trillion zlotys, and by 28 February—to 14.7 trillion zlotys. The growth over all of February amounted to 34.9 percent.

Savings accounts increased from 8.6 trillion zlotys at the end of last year to 10.2 trillion at the end of January, and in February they increased to 12.3 trillion zlotys on 10 February, 13.0 trillion zlotys on 20 February, and 13.8 trillion zlotys on 28 February. In total, the increase in February amounted to 35.3 percent; the rate was similar to that of the growth of cash circulation.

The funds of enterprises increased from 7.8 trillion zlotys at the end of last year to 15.9 trillion zlotys at the end of January (thus, at a rate very close to [the growth of] prices), and in February they increased as follows: on 10 February—17.6 trillion zlotys, 20 February—18.0, and 28 February—18.4 trillion.

Managing the movement of currency in the economy in such a manner as to avoid an excessively deep recession while at the same time bringing about the stabilization of prices is a basic dilemma. Prices have indeed been growing slower in February and March. At present, the objective is to arrest the recession without bringing about the recurrence of hyperinflation at the same time.

### Unemployment Dilemmas: Mobility, Part-Time Jobs, Youth, Women

90EP0493A Warsaw ZYCIE WARSZAWY in Polish  
1 Mar 90 p 3

[Article by Halina Lesnicka: "Unemployment Polish Style"]

[Text] At the end of January, the employment departments all over the country registered 55,000 people who had been unsuccessful in looking for work. There were about 30,000 job openings. This is still not large-scale unemployment, but it could turn into it during the next few months.

Our labor market has been featuring a low level of regional mobility for many years. The average American changes his place of residence more than a dozen times in the pursuit of a better paying job. In our country, the housing barrier creates local job markets and local unemployment, which is most difficult to resolve in the small towns. For example, once a land surveyor has built himself a small house in some little town, where does he go to live when he loses his job? Is he going to give up all he has gained in life to go to another one?

We must quickly mobilize credit for this reason, so that such people can, for example, set up small companies to render agricultural support services. Such manufacturing plants, service centers, and repair shops would also provide opportunities for rural young people from small farms who must remain in the countryside and small towns, because the large cities no longer serve the function of the hand pump, in that they have neither jobs nor better living conditions to offer.

We are facing a period of transition in ownership, in which large firms with inflated employment will fail and be replaced by smaller plants. This process is bound to lead to a loss of jobs involving part of the work force. Before these small firms come into being, many people will face unemployment benefits, and nobody can say whether or not there will be ten times as many people on unemployment as now, or even a million more.

For this reason it has become essential to introduce social protection instruments for those people who may soon find themselves out on the street for a longer or shorter period of time. Such instruments would include unemployment benefits. For most people, being let go comes as a shock, especially for those who have worked for decades in the same plant. They are no longer in a position to change vocations. In countries where the structural changes came earlier than in Poland, people are prepared for such a possibility. They also generally have some sort of financial reserves. In Poland they have nothing.

Single parent families can find themselves in particularly dramatic situations. The labor law does not provide protection against a bread winner's being let go. The current employment law has no such provisions either. Will unemployment benefits be the sole means of support for the whole family? In such situations, these benefits are bound to prove inadequate, and help must be provided here.

#### Youth on the Streets

Graduating high school students are another group particularly threatened by unemployment. The employment departments are already indicating problems with finding jobs for last year's graduates. Meanwhile, the education system is proposing beginning in September to eliminate compulsory education for young people between the ages of 16 and 18. I need not add what that means. By June large groups of young people not at work or school will be roaming the streets. Some of them may add to the socially marginated. This does not seem the

best moment to introduce this sort of educational reform. We can add that in the 1960's, when there was the threat of a shortage of jobs for young people, the decision was made to extend education in the secondary schools and colleges. During the past decade (1981-90), there was an exceptionally low rate of increase (only 700,000) in the population of employable age, chiefly young people, but the demographic forecasts predict that in the coming decade (1991-2000), there will be an increase of 1.5 million.

We are a country which has a very low index for young people studying in secondary schools and colleges. Do we want to have young people with no more than elementary-school preparation in the coming years of tremendous change in production technologies? Are we really facing the threat of producing too many members of the intelligentsia?

At this moment it may seem so. There are a relatively large number of college graduates among the first groups of unemployed, but the economic recession is after all not going to last forever. Funds must ultimately be found to develop science and technology. Generations presently occupying jobs designated for people with high qualifications will be retiring too. The companies which receive a shot of new foreign technology will be replacing their staff with better qualified personnel.

#### Women, Go Home!

The employment of women is a separate problem. We have achieved one of the highest employment indexes for women. This fact has had its positive and negative aspects. If we gave mothers a free choice, without economic penalties, many of them would be glad to stay home or go back there. Meanwhile, we have the reverse phenomenon. Women who previously never worked but stayed at home and were supported by their husbands are now coming to the employment departments for unemployment benefits. The family's material situation forces some of them to this, and others now have empty nests. Some women, on the other hand, are going to treat these benefits as an unemployed wives' supplement. This is probably a misunderstanding. We need a completely different sort of benefit, so that these women do not stand in the unemployment benefits line.

For many women, half-time work would be the most convenient form of employment. This is a common phenomenon in countries with market economies. There are not many such jobs in this country. Worse still, half-time jobs are the first to be eliminated when employment is being reduced, even when such jobs are the chief source of support. I think that this is a great misunderstanding, because half-time jobs permit more women to be employed. Another thing is that this form

of employment is not being used in our country where it ought to be. The post office, retail trade, and the health service are all fiercely guarding themselves against half-time employment. If this is because half-time jobs are proving too expensive for the employer and too cheap for the employee, this problem can be somehow solved, after all, by creating appropriate financial incentives both for the companies and for those who would be interested in this form of employment.

Meanwhile, only retired people have such incentives. This would be a very good solution, if there were nobody to fill the gap on the labor market, but at the present time it does not fit the situation very well. The new retirement system should make it possible to increase benefits so that people could live off them, instead of forcing retired people back to work.

Many more new problems will appear on the labor market, and it is important for us to know how to approach them wisely and reasonably, without acting suddenly or failing to consider the consequences. It will be most difficult for the older generation, however, to realize that unemployment is the unavoidable price for the transition to a market economy. This comes as a real psychological shock, which is very difficult to overcome. Those who have travelled this road ahead of us think that we can learn to live with unemployment and that it even has certain advantages, because it will force people to look at jobs with a respect that has been lost in our country in previous years.

### **February Production Figures Down; 'Deep Recession' State Viewed**

90EP0492B Warsaw RZECZPOSPOLITA in Polish  
8 Mar 90 p 2

[Article by P.A.: "At the Bottom"]

[Text] The expectations of the pessimists came true. In February, product sales in industry declined by about 30 percent compared to February of last year. The level of production in individual industries was as follows, with February 1989 taken as 100: the coal industry—70.4 percent; the power industry—82.0 percent; the metallurgical industry—82.2 percent; machine building—78.9 percent; the chemical industry—79.9 percent, light industry—58.9 percent, and the food industry—57.9 percent. The results are atrocious; the industry is in a state of deep recession.

Actual output was higher. For example, the decline in coal production was considerably smaller, 8 percent, and that of electricity was 7 percent. Most goods which the GUS [Central Office of Statistics] also monitors in natural units in the light and the food industry were produced in greater amounts than the data on the level of production calculated in constant prices would suggest. However, in principle GUS Chairman Krzysztof Lutostanski was right to say at the opening of the conference that in a market economy the statistic of products sold is essential rather than that of actual (gross) product. The only point which

is in doubt is: Do we really have a market economy in the second month of implementing a stabilization program which depresses demand?

It is also worth mentioning that, according to the fully revised data, the actual decline of output in January amounted to 17.7 percent. In February, the average daily product sales were almost the same as in January. Therefore, it could be said that from this point of view recession has stopped worsening, if it were not for the fact that in past years product sales in February per one business day were generally higher than in January.

Good news came from the front regarding inflation control. In industry, the growth of prices in February amounted to 7 percent on the average compared to the average prices of January. In essence, this means a decline of prices in industry in a calendar month. Preliminary data on the retail prices of foodstuffs indicate that between 24 January and the first days of March the level of these prices did not change.

The GUS data confirmed the previously reported favorable results involving exports, particularly to the second payments area [hard currency-denominated trade]. Their volume increased by more than 12 percent compared to February of last year.

In construction, the decline in production was smaller than in industry and amounted to 10 percent compared to February of last year. The number of apartments commissioned and under construction increased. Apparently, some enterprises of industrial construction obtained orders from housing cooperatives.

In agriculture, the procurement of slaughter cattle was 10 percent lower than a year ago, as was the procurement of milk. However, no increase was registered in the share of sows and cows among the animals delivered to the procurement facilities which suggests that the basic herd is not being slaughtered.

Average wages in five economic sectors increased by 14.9 percent (including bonuses from profits) and by 6.3 percent (without bonuses from profits) compared to January. Average wages in the five sectors amounted to 717,000 zlotys (in industry—800,000 zlotys, in construction—668 zlotys, in transportation—648,000 zlotys, in communications—572,000 zlotys, and in trade—527,000 zlotys).

All of these data include payments from profits which generally ranged from a dozen or so thousand to about 100,000 zlotys per employee. There were exceptions. In industry, employees of non-ferrous metallurgy received the highest payments—2.16 million per employee, including more than 1.25 million in the form of bonuses from profits. In coal mining, wages amounted to 1.14 million, in the iron and steel industry to 1.04 million, but in most industries they stood between 550,000 and 750,000 zlotys.

### **Mielec to Halt An-2 Production, Seeks Partner for Mid-Range Plane**

90EP0492A Warsaw *RZECZPOSPOLITA* in Polish  
7 Mar 90 p 2

[Article by K. Sz.: "A Crop Duster Will Fly No More"]

[Text] The production of general-purpose aircraft An-2 will probably be completed next year. To date, the Mielec Communications Equipment Plant has built more than 12,000 of them. This has turned out to be the longest-lasting and most profitable type of product in the history of the Polish aircraft industry.

Unfortunately, by now this plane has become quite obsolete, and it is becoming increasingly difficult to find buyers for it. Therefore, it is natural that the plant is looking around for something different and more up-to-date. On 6 March, negotiations were held in Mielec with the representatives of the Canadian company De Havilland Aircraft concerning future cooperation in the eventual production of medium-range planes. It is hard to say whether this will lead to anything.

For now, they are manufacturing control surfaces for the Soviet IL-86 and IL-96 planes. However, cooperation with Soviet industry is not gratifying. Perhaps, the An-28 plane is the best case in point; 40 of them could be produced annually. The problem is that the Russians have failed to develop a good, economical engine, and without it the possibility of selling this plane to anyone is nil.

Moreover, the Soviet partner is expressing its desire to purchase the aircraft but at a price considerably below the cost of production which the Polish side, naturally, does not want to accept—all the more so because preparations were made for serial production, the plant has incurred considerable costs, and it would like to get what is due after all. However, this appears unlikely. Actually, the An-28 situation is up in the air.

On the other hand, the good news is that starting in 1990, planes made under a license, or more precisely, the air taxi M-20 Mewa, known in the West as Seneca-2, began to be sold. In the 1980's, only 12 of these craft left the plant because there were no takers for more. Recently, orders for another 15 Mewa's have come in within a short period of time. It turns out that this small boom

has been caused by the internal convertibility of the zloty. The plane costs about \$300,000 but at present it makes sense for the plant to sell it for zlotys. The Stalowa Wola Steel Mill, the copper ore mine in Lubin, and even private citizens—domestic businessmen—are on the list of buyers.

The portfolio of orders of the plant includes 20 Dromader aircraft for exports to Spain where they will be used for putting out fires. The assembly of the first five prototypes of the new Polish trainer aircraft Iryda 22, which is the successor of the Iskra, is underway. The M-26 Iskierka for elementary civilian flight training is being designed with aviation clubs in mind.

However, all of this does not change the situation of the plant which, to be sure, is not threatened with financial collapse, but is in need of modern technology and cooperation with one of the prominent principals. Primarily, at issue is complete utilization of the human and production potential which is partially squandered at present.

### **Dividend Concessions Given Certain Preferred Industries**

90EP0490E Warsaw *RZECZPOSPOLITA* in Polish  
8 Mar 90 p 2

[Article by A.Z.: "Dividend Concessions"]

[Text] All enterprises manufacturing final products or subcontracted products for special goods (military materiel, quartermaster's supplies, subassemblies, elements) retain the right to lower dividends whether they have the status of enterprises of the defense industry or belong to other groups of producers. Resolution No. 114 of the Council of Ministers, dated 31 July 1989, on the basis and methods for calculating the dividends of state enterprises which accomplish tasks for the needs of the defense and security of the country, in part or entirely, remains in effect this year.

The dividend will be reduced by an amount resulting from multiplying it by the value of the proportion of the initial cost of machines and equipment used for the needs of defense and security of the state, to the total initial cost of the machines and equipment of the enterprise. In this instance, both the cost of the machines and equipment used for current production and the cost in the reporting year are calculated.



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